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TODAY: HEALTH SCIENCE Dances With Waves, Page 10

CENTRAL DIVISION

Jimmy Stewart Is Dead at 89

Compiled by Our Staff From Dispatches

LOS ANGELES — Jimmy Stewart, the lanky, slow-speaking actor who starred in such classics as "Mr. Smith Goes To Washington" and "It's A Wonderful Life," died on Wednesday, his agent said. He was 89 years old.

The agent, Mort Viner, said Mr. Stewart died of cardiac arrest at his home in Beverly Hills.

Mr. Stewart was one of the greatest stars of Hollywood's golden era.

He won Hollywood's biggest accolade, an Oscar, for best actor opposite Katharine Hepburn in "The Philadelphia Story" in 1940. In 1980, he was given an

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Reuters

Rerngchai Marakanond, right, the Bank of Thailand governor, and an aide meeting the press.

Thailand Lets Its Currency Slide

De Facto Devaluation of Baht Is Aimed at Reviving Economy

By Thomas Fuller
Special to the Herald Tribune

BANGKOK — After weeks of national soul-searching and billions of dollars spent defending its beleaguered currency, Thailand shook Asia's markets Wednesday by letting the baht slide in a surprise devaluation aimed at reviving its economy.

The baht, for decades one of the region's most stable currencies, lost 20 percent of its value, with the dollar rising to 29.50 baht, after the central bank ordered what was termed a "managed float" but was a de facto devaluation.

The devaluation, Thailand's first in more than a decade and a reminder of the Mexico currency crisis of 1994, sent shock waves through Asia's financial markets. The Philippines and Malaysia were forced to defend their currencies in turn. Manila sharply raised overnight borrowing rates, and dealers said the Malaysian central bank sold dollars to shore up its currency.

Foreign and local investors applauded the devaluation, however, driving the stock market index up by nearly 8 percent, to 568.79. "We felt it was time for them to devalue and face the reality of what their currency was really worth," said Mark Mobius, president of Templeton Emerging Markets Fund Inc. "Now that they've done it, it helps, I think, to clear the deck," he told Bloomberg News.

But there was anger among many of Thailand's 60 million people, who woke up Wednesday considerably poorer, facing the reality of slashed savings and

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Not All in Asia Back U.S. View On Civil Rights

By Andrew Pollack
New York Times Service

TOKYO— For some Asian countries, which were once British colonies themselves, the end of Britain's 156-year rule over Hong Kong was a boost to Asian pride.

In South Korea, which faces hostile North Korea across a heavily armed border, there was a tinge of envy that China and Hong Kong could be reunited so peacefully.

But as Hong Kong's Asian neighbors observed and celebrated the fireworks Monday night, they did not care so much about the issue that has preoccupied the United States — whether China will clamp down on civil liberties in the former British colony.

"That is not our priority," said Chang Chul Kyoon, deputy director general for Asia-Pacific

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'New Labour' Unveils Pro-Business Budget

Brown Lives Up to Anti-Tax Pledge

By Youssef M. Ibrahim
New York Times Service

LONDON — In the first British budget announced by a Labor government in 18 years, the chancellor of the Exchequer, Gordon Brown, reassured business on Wednesday that the finance ministry will remain the locomotive of a growing economy, granting tax breaks for large and small companies designed to spur profits and investments ahead of the rest of Europe.

Echoing themes often heard from the adherents of globalization, the finance minister of "New Labour" lived up to his party's commitments to break with its old tax-and-spend ways.

Mr. Brown told a lively Parliament that old jobs, old skills and old industries "have gone and will never return."

The road to a better future, he said, lies instead in fiscal discipline and strict control of inflation — as the only means to achieve "stability, investment, work and opportunity for all."

By far the biggest winners of the day were large businesses, which received a further cut in corporate taxes, from a 33 percent ceiling to a 31 percent ceiling — the lowest among Western industrialized states.

Small businesses will see their tax rates lowered to 21 percent from 23 percent. Capital allowances for the purchase of equipment were doubled on plants and machinery in the first year of new businesses. The film industry will get tax breaks amounting to nearly $50 million over the next three years.

The new budget sets Britain further apart from such countries as Germany and France, which are still struggling with pugnacious labor unions, restrictive investment climates and expensive welfare benefits.

In France, the Socialist government said Wednesday that it was considering increasing taxes on companies to cap the public deficit this year and try to meet the criteria for joining the single European currency. The government also said it wanted to make it harder for companies to lay off workers. Page 13.

The British budget also included a variety of indirect taxes on gasoline, liquor, cigarettes and a diminution of tax benefits on mortgages and private health programs. Those will be shouldered largely by the middle class, which will have to await an even stronger economy before getting tax breaks from the Labour government that took power May 1.

There were few nods to Labour's original constituency amid the hard-pressed working class. Funds available for training the unemployed were increased, as were education budgets, but they were coupled with a further tightening of welfare benefits.

Reaction in the City of London, where the big money nestles and where the budget was eagerly awaited, was predictably triumphant.

"It strikes me as a very conservative budget on balance, with an accent on growth," said David Freud, a managing director at the investment firm SBC Warburg. "This is very good news for

See BRITAIN, Page 6

Inquiry Set On British Beef Exports

By Tom Buerkle
International Herald Tribune

BRUSSELS — Europe's beef crisis erupted anew Wednesday after the European Commission announced that authorities were investigating allegations of illegal exports of British beef in violations of a ban designed to safeguard public health.

The announcement threatened to deal a fresh blow to consumer confidence in the safety of eating beef. It also posed the first major European policy challenge to the government of Prime Minister Tony Blair, whose election in May was helped in part by public disapproval of the previous Conservative government's handling of the beef crisis.

In London, the Agriculture Ministry promised a vigorous investigation of the allegations, which officials said could deal a major setback to the government's campaign to win European backing for a resumption of legal exports.

"It's not welcome news," a ministry spokesman said.

The 15-nation European Union imposed a worldwide ban on British beef exports in March 1996 after the British government acknowledged a possible

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France and Germany: Recharging the Batteries

By John Vinocur
International Herald Tribune

NEWS ANALYSIS

PARIS — When a polling organization asked a group of young Germans a few weeks ago what they thought of the special relationship between France and Germany, the response from 77 percent was that the idea was a myth.

For 60 percent of the Germans under 30 canvassed by the Forsa public-opinion organization, the concept of a special French-German friendship existed only in the minds of politicians.

The politicians caught up with reality this week, acknowledging that Charles de Gaulle and Konrad Adenauer's great cathedral of understanding at the Rhine was now mostly incense and incantation, a European holy place that everyone said they were eager to preserve at the center of the Continent's political construction, but did not quite know how to refill with fervor or commitment or substance.

In a symposium at the National Assembly, bringing together leading government and opposition legislators from both countries to discuss the topic "French-German Relations: Marital Tiff or Divorce?" the confessional tone and the only-now-can-I-hint-how-much-I-distrust-you refrains came in a rush.

Participants asked out loud if the official theme for the discussion, sponsored by three French and German public policy organizations, was not a bit overstated, and the answer came back "No." Then, for about seven unusual hours, the deterioration in the relationship, normally veiled in ritual and pious mumbling, lurched explicitly into view.

Francois Hollande, spokesman of the Socialist Party, said the special connection had "broken down." Jack Lang, now the chairman of the National Assembly's foreign affairs commission, described it as having reached "a dead end," and Laurent Fabius, the National Assembly president, talked of a "spiral of misunderstanding" that had brought French-German ties into "serious and unprecedented" difficulties.

The Germans, led by Karl Lamers and Karsten Voigt, respectively the parliamentary foreign-policy spokesmen of the Christian Democratic and Social Democratic parties, generally used less charged language as guests on French turf, but made clear that confidence had fallen away sharply in the basic areas of security and economic policy.

Mr. Fabius caught the frankness and

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AGENDA

Bonn 'Sympathizes' With Romanian Bid To Join NATO as Paris Delays a Return

BONN (Reuters) — Chancellor Helmut Kohl of Germany gave qualified support Wednesday to early NATO membership for Romania.

A week before the alliance's summit meeting in Madrid, a spokesman said the chancellor and the government had "a lot of sympathy for the Romanian desire for early NATO membership and support it."

The spokesman added: "He indicated that this decision should be made on the basis of consensus of the 16 NATO partners in Madrid."

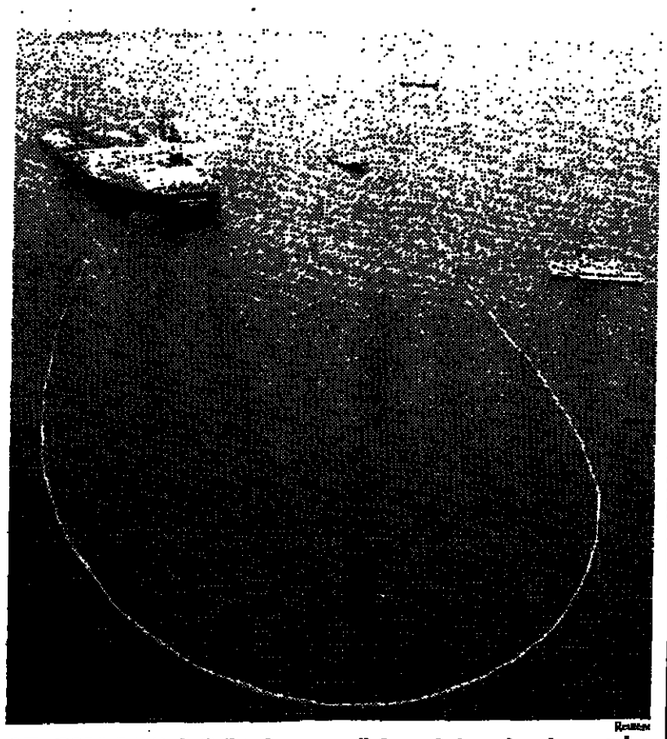
Earlier Wednesday, the chancellor had come under pressure at home to back Romania and Slovenia for membership. Page 5.

France, meanwhile, said Wednesday that conditions were not yet right for it to return to full membership in NATO's military wing.

In a statement issued after President Jacques Chirac discussed the issue with the Socialist prime minister, Lionel Jospin, the Foreign Ministry said Paris wanted "to continue discussions with its allies to seek a better balance of responsibilities between Europeans and Americans."

The statement made clear that Mr. Chirac, who initiated France's rapprochement with the Atlantic alliance in 1995, shared the new leftist government's assessment that the United States had not yielded sufficient power to the European allies to justify a French return.

Paris has demanded in vain that Washington hand over NATO's key Southern Command, which controls the Mediterranean, to a European.



Reuters

OIL FOULS TOKYO BAY — An oil fence being placed around a tanker that ran aground Wednesday and dumped 13,400 tons of crude into Japan's busiest port. It was the nation's worst oil spill ever. Page 4.

The Dollar		
New York	Wednesday @ 4 P.M.	previous close
DM	1.7537	1.7468
Pound	1.6755	1.6587
Yen	114.45	114.90
FF	5.908	5.886

The Dow		
	Wednesday close	previous close
+73.05	7795.38	7722.33

S&P 500		
change	Wednesday @ 4 P.M.	previous close
+13.00	904.03	891.03

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Kohl Feels New Pressure Over NATO

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The IHT on-line http://www.iht.com

U.S. Approval on Boeing Is Irrelevant, EU Asserts

Concessions Demanded in McDonnell Deal

By Tom Buerkle
International Herald Tribune

BRUSSELS — Dismissing U.S. approval of Boeing Co.'s plan to buy McDonnell Douglas Corp. as irrelevant to its competition concerns, the European Commission said Wednesday that it was still prepared to block the aerospace deal unless Boeing made substantial concessions.

The tough European line appeared to signal the start of a furious few weeks of commercial negotiations and political lobbying on both sides of the Atlantic over the proposed $14 billion acquisition before the European Commission gives its verdict at the end of this month, officials said.

On Monday, Boeing presented what its executives called "constructive proposals" to address the European concerns, which include the size of the combined company, the potential spillover of McDonnell's defense technology and funding into Boeing's commercial business, and Boeing's recent signing of long-term exclusive contracts with three major U.S. airlines.

But the EU warning indicated that the offer had not satisfied Karel van Miert, the European competition commissioner.

"What they've sent in is not, at this stage, *sufficient*," said a source at the commission, the executive agency of the 15-nation European Union, who spoke on condition he not be identified.

EU and U.S. antitrust regulators have never before come to opposite conclusions about a major merger. The possibility that they could do so over a deal affecting aircraft and defense markets worldwide has led some officials to talk of the potential for a trade war, while also raising expectations of last-minute concessions that would avoid one.

In Washington, the Federal Trade Commission approved the deal Tuesday, saying that McDonnell Douglas was "no longer an effective competitor" in commercial aircraft and had no major overlaps with Boeing in the defense business.

But in Brussels, officials said the commission took a different view of the combination and was bound by different antitrust rules.

"The decision by the FTC in no way changes the serious doubts of the European Commission," the commission source said.

Officials reaffirmed that they were demanding that Boeing drop its status as exclusive supplier in 20-year aircraft contracts signed recently with American Airlines, Delta Air Lines and Continental Airlines.

They noted that the Federal Trade Commission, describing the contracts as "potentially troubling" because they represented 11 percent of the global market, had said it would monitor them.

European antitrust rules, they said,

See BOEING, Page 14

Newsstand Prices			
Bahrain	1,000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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Leftist Seems Poised to Loosen Grip of Mexico's Ruling Party

By Molly Moore
and John Ward Anderson
Washington Post Service

MEXICO CITY — Cuauhtemoc Cardenas is poised to transform Mexican politics.

With polls showing the leftist opposition candidate enjoying a huge lead, Mr. Cardenas likely will become modern Mexico City's first elected mayor in balloting Sunday.

His victory would be a crippling blow to the ruling Institutional Revolutionary Party, known as the PRI, which has governed Mexico for 68 years. It also would be an unmistakable sign of the country's march toward multiparty democracy, which has existed in name only for much of the last seven decades.

"The fact that an opposition party, and one from the left, could come to a major national office signifies an extraordinary change in the structure of Mexican politics, where the president is everything," said Luis Rubio, president of Mexico's Center for Development Research. "Now that power is going to be curtailed."

That may seem to give undeserved status to just a big-city mayor. But with the intense centralization of government here and Mexico City's role as the political, financial and cultural heart of the country, the mayor — technically, his title will be governor — will be the second most powerful politician in Mexico.

If, as virtually every poll predicts, Mr. Cardenas, 62, and his leftist Democratic Revolution Party, known as the PRD, capture the post — which has been filled by presidential appointment since 1928 — he arguably would be the most powerful opposition leader with the most prominent political position since the Mexican Revolution.

Four of Mexico's 31 states are headed by opposition governors, but their influence will pale next to that of the mayor of Mexico City, who will represent about 9 million people and have immediate access to the nation's major media.

He instantly would be a top presidential contender in the year 2000, with a national stage from which to challenge the president and the PRI.

See MEXICO, Page 6

The Joys of Summer / **Bush-League Baseball**

Saints Thrive by Giving Fans the Unexpected

By William Souder
Washington Post Service

ST. PAUL, Minnesota — At 6:53 P.M. on a warm spring evening, as the sun eases toward the horizon, the first member of the home team comes out of the dugout. It's a pig.

With the theme from "Green Acres" wafting through the stadium, the porker, known as Hamlet, delivers two saddlebags filled with baseballs to the home plate umpire, while 6,329 fans — a sellout, as always — begin to whoop and holler. Up in the press box, the radio color commentator, Don Wardlow, who is blind from birth, leans into the microphone:

"Live from Midway Stadium, it's St. Paul Saints baseball!"

Mr. Wardlow, who knows everything there is to know about baseball except what it looks like, is the latest oddity to be added to the national pastime as it is practiced at the minor league level in Minnesota.

This is one of baseball's wildest, most entertaining, most successful shows — and for the past four years the hottest ticket in town. (At $4 to $7 a game, it's also one of the cheapest.) Three-time champs of the Northern League since its inception in 1993, the Saints are co-owned by Mike Veeck, who mans the turnstiles and takes tickets at every home game, and by his pal and fellow baseball nut, Bill Murray, the actor. The team's record so far this year is 13-13. But Mr. Veeck insists the secret of its success is that the team really belongs to its fans, who come to this nutty ballpark game after game expecting the unexpected.

For $10, you can get your hair cut right in the stands during the game. For $125, you and three friends can watch the game from a hot tub in left-center. There is a woman who paints faces — she's the one in the blue cape and black tights with silver glitter on her cheeks. At either end of the main grandstand $7 will get you a 15-minute massage from Sister Rosalind, St. Paul's famous massaging nun, or one of her disciples.

"What the Saints have is something that Major League Baseball probably can never have again," said Julian Loscalzo, a 45-year-old lobbyist who attends about 30 games a year.

"The Saints came to the right town at the right time," he said. "They were affordable. People wanted outdoor baseball again. They wanted to tailgate before the game. They didn't want ushers telling them what to do. I guess what they wanted was an anachronism."

Rollie Jacobsen, a 44-year-old department store owner from Northfield, a small town an hour south of the Twin Cities, said the Saints' on-field success has made them "the Yankees of the Northern League." Mr. Jacobsen is a former Twins season ticket holder who regularly attends Saints games with his 19-year-old son, Dylan, and an array of extended family. He agrees with Mr. Loscalzo that the team's real appeal is the air of nostalgia that envelops the game at this level.

"The Saints," he said, "provide the type of baseball and the kind of atmosphere that seem to me like the game my father and my grandfather always described to me."

Saints fans talk about the "intimacy" of Midway Stadium, about feeling an almost physical connection with the action, and about somehow in the process getting close to the essence of the game.

"We have respect for our fans," Mr. Veeck said. "But we don't take just the one-dimensional view of them that the major league teams do. We don't believe they come for the game and nothing else. My dad always believed if you catered only to the purists your stadium would be 75 percent empty."

Mr. Veeck's father, the whimsical entrepreneur Bill Veeck, owned the St. Louis Browns and then the Chicago White Sox and is beloved among baseball fans for introducing the concept of entertainment to the game. He set off fireworks at the ballfield and

Bill Wheeler/St. Paul Pioneer Press

Fans can get haircuts during the game, and Hamlet the pig delivers a supply of balls to the plate umpire.

is best remembered for having once sent a midget to the plate as a publicity stunt. His son Mike, who owns parts of four other minor league clubs, has inherited his father's flair.

Most of the Saints faithful begin partying out in the parking lot, where the air before game time is a pungent haze of charcoal smoke, cigar fumes and beer. At the stadium entrance they are greeted by a band. Polka, heavy metal — it varies. Once, a dozen members of the Minnesota Orchestra showed up to play.

Just past the turnstiles, an overhead bubble machine pumps out liquid spheres that glisten colorfully in the slanting evening light. The field itself is a beauty, green and intimate in this old, quasi-industrial section of St. Paul's north side. Behind the fence in right-center is the fire fighters' training center, where the St. Paul Fire Department sometimes sets a six-story concrete tower ablaze during a game, a free show of leaping flames and billowing black smoke that everyone agrees is enormously entertaining.

And, of course, there's the game. It is played at this level mostly by guys who have not caught on with a team in a major league farm system. (The eight teams in the Northern League — all in the upper Midwest and Canada — are not affiliated with major league organizations.) There are also a few veterans making a grudging exit from baseball, as well as some players fixing themselves up for a return to the bigs. Before he joined the New York Yankees last year, Darryl Strawberry played his way back into shape with the Saints.

Over in the broadcast booth, the color announcer, Mr. Wardlow, and the play-by-play announcer, Jim Lucas, both 34, are engrossed in that mix of reporting and storytelling that is sports announcing. The booth is small, barely big enough for two folding metal chairs and about half of Gizmo, Mr. Wardlow's gentle, black guide dog, who sleeps soundly in the doorway.

As Mr. Lucas calls the action, Mr. Wardlow riffles through a thick sheaf of papers in his lap, fingers skimming the Braille notations that contain statistics and anecdotes. These notes are painstakingly compiled in the hours before each game — from tapes Mr. Lucas records for him and from interviews Mr. Wardlow conducts with the players. They constitute the basis for his running commentary.

Mr. Lucas and Mr. Wardlow are from New Jersey and have known each other since they worked for the Glassboro State University radio station. In early 1990, they put together a 10-minute sample tape and sent it to every one of the 176 professional baseball teams in America. They got 44 responses, 43 of which said no thanks. The other answer was from Mike Veeck.

For the next two years they worked for Mr. Veeck's Pompano Beach Miracle in the Florida State League. At the end of the 1992 season, he fired them. He called it a personal favor. "They needed to prove they could do it without me," he said.

MR. LUCAS and Mr. Wardlow got a job in New Britain, Connecticut, with the Hardware City Rockcats. There was no salary, only commissions on whatever advertising they could scare up. They even had to buy their own airtime.

"But nobody wanted to buy ads," Mr. Lucas said, "because the team was terrible."

Mr. Lucas came up with a novel idea, one they still use. He and Mr. Wardlow began selling ads on what they called a "pay-per-win" basis, where the advertiser is charged only if the home team is victorious. They immediately sold out their available air time.

After four seasons in Connecticut, Mr. Veeck hired them back.

As the game unfolds, the Saints slog their way to a one-run lead in the fourth, but get careless and collapse in the sixth on a pair of double steals of home. The fans don't have much to cheer about, baseball-wise.

"That's the problem with minor league ball," said Mr. Lucas after the game. "When it's sloppy, it's really sloppy."

Ciller Weakened By Turkish Shift

As Rival Takes Over, Pressure Mounts for Corruption Probe

By Stephen Kinzer
New York Times Service

ISTANBUL — Last month, Tansu Ciller, who was then Turkey's foreign minister, displayed her characteristic determination by asserting, "I will be prime minister soon."

But this week, Mrs. Ciller was forced to watch as her bitter rival, Mesut Yilmaz, became prime minister instead. She also faces the possibility that Parliament may lift her immunity from prosecution and send corruption charges against her to the Supreme Court for investigation.

In a televised interview, his first since taking office, Mr. Yilmaz pledged that his government "will not remain a spectator in the face of corruption."

Asked if he believed that the end had come for Mrs. Ciller, he replied: "This is a process, and it is accelerating. What she has done is clear, and it cannot be ignored. It is now a matter for Parliament and the courts."

Mr. Yilmaz was able to form his government only because he won the support of more than two dozen members of Parliament from Mrs. Ciller's True Path Party who have turned against her and want to help bring her down. Some of them have predicted that the party will either continue losing members or be torn by a rebellion against her leadership.

Mrs. Ciller, who was not available for comment, has steadfastly denied charges of corruption against her and her husband, Ozer, an Istanbul businessman. Many of the charges have to do with illicit enrichment through the manipulation of government agencies and contracts.

Leading Turkish newspapers reported that prosecutors plan to summon Mr. Ciller for questioning about stock manipulation, smuggling and ties to organized crime.

Some papers also reported that the military had ordered immigration officers to prevent the Cillers from leaving the country. The reports could not be independently verified.

This complex of problems marks a sharp turn in fortune for a couple that once seemed to have all Turkey at their feet. When Mrs. Ciller became Turkey's first female prime minister in 1993, she was acclaimed at home and abroad. Since then, however, her reputation has plunged.

Many European leaders are still angry with her because before the 1995 election, she toured Europe appealing for foreign support on the ground that she was the only figure who could prevent the Islamic-oriented Welfare Party from coming to power in Turkey.

But after the election, she joined a coalition government with the Welfare Party and helped propel its leader, Necmettin Erbakan, to the post of prime minister.

Mr. Erbakan made her foreign minister and helped her defeat several motions in Parliament aimed at sending charges against her to the Supreme Court for investigation. But the votes were very close, and she has reason to fear that the results may be different if similar votes are taken again.

Several times in the past, however, Mr. and Mrs. Ciller have managed to emerge from seemingly crushing reverses. Despite their latest troubles, not everyone here discounts their prospects for another resurrection.

The Cillers have built a fortune estimated by some in the tens of millions of dollars and by others in the hundreds of millions. Mrs. Ciller has said her husband is in charge of the family finances and that their fortune was built in part from investment of a $1 million inheritance from her mother. But neighbors say the mother died in poverty.

As the Cillers' fortune has grown, so has the number of their enemies. They include politicians who consider them corrupt, human rights advocates who say that they encouraged death squads and gangsters who say that Ciller operatives have moved in on their rackets.

In May, one of the country's most wanted fugitives, Alaattin Cakici, telephoned an Istanbul television station from a hideout to complain that the Cillers and their "waterfront mansion gang" were trying to extort $20 million from him in exchange for allowing him to buy a government-owned bank.

Mr. Cakici issued several threats against Mr. Ciller, and vowed to "destroy the waterfront mansion gang or die trying."

The day after Mr. Cakici's interview, gunmen shouting "You will pay for this!" shot up the Istanbul studio of the station that broadcast it.

The police have not solved the case. In a letter to the station's owner, Mrs. Ciller said, "I strongly condemn and deplore this dastardly attack."

A French Nod to the EU

Reuters

PARIS — The cabinet approved a bill Wednesday that would allow nationals from EU countries living in France to vote and run in municipal elections, as called for by the Maastricht Treaty.

TRAVEL UPDATE

Northwest and KLM Break Pact

AMSTERDAM (AP) — Northwest Airlines will stop joint ticket sales with KLM Royal Dutch Airlines on Aug. 1, a KLM spokesman said Wednesday.

Relations between KLM and Northwest have been strained by a Northwest shareholders' rights plan that caps KLM's stake. The Dutch carrier, which has a 19.5 percent voting stake in the U.S. carrier, is currently suing Northwest for $150 million in compensation.

American Urges Use of Child Seats

WASHINGTON (AP) — American Airlines on Wednesday offered half-price tickets for children two years old and under in an effort to encourage parents to use child safety seats.

Children of that size are often carried in parents' laps, where they do not need a ticket. But that is unsafe in the case of an accident, or if the plane encounters turbulence, said Robert Baker, the airline's vice president for operations.

Parents would have to supply their own child safety seat, Mr. Baker said, adding that most of the seats used in automobiles were suitable for airline use.

The National Transportation Safety Board, reporting on the collision of two commuter planes on a runway in Quincy, Illinois, last November, in which most passengers survived the impact but died in a subsequent fire, has recommended that the Federal Aviation Administration find ways to fund fire and rescue crews at small airports served by small planes. *(WP)*

Flight attendants at British Airways on Wednesday welcomed prospects of new talks with the airline to try to avert a strike planned for next week. *(AP)*

A Cross-Channel Pigeon Race Turns Deadly for Birds in Rain

Agence France-Presse

PARIS — Tens of thousands of homing pigeons are feared to have perished after being caught in torrential storms during a cross-Channel race from France to Britain, an organizer said Wednesday.

But Laurent Toussaint said reports that up to 80,000 birds may have died were exaggerated, since many of the birds may have stayed over France and would return to their roosts in coming days.

He said 60,000 started the race Sunday morning, compared with a planned participation of 100,000, after some owners pulled their birds out because of the foul weather.

"And of those, some 30-40 percent are perhaps still in France, those which didn't leave straight away because of the weather or who were disorientated by a magnetic front," he said.

The Times of London reported that up to 80,000 pigeons may have died in the race between Nantes and Britain to celebrate the centenary of the British Racing Pigeon Society.

The race had already been postponed for a day because of the bad weather that has plagued both Britain and France in recent weeks.

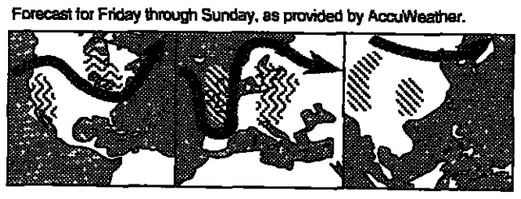
"The rain weighed down their feathers and if they didn't fall before they got to the Channel, they drowned in the sea," a pigeon fancier was quoted as saying.

But Mr. Toussaint, who was responsible for monitoring the race rules, said many of the pigeons were apparently confused from the start Sunday by a "magnetic front," and may therefore not have set out over the Channel.

Mr. Toussaint said he could not comment on protests in Britain that the race should not have started in the first place. He said British pigeon-racing organizations released birds in Nantes every week, while admitting that Sunday's release was under "exceptional" weather conditions.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
Hot and dry weather with plenty of sunshine will encompass much of the West. A strong storm in southeastern Canada will bring showers and thunderstorms to the East on Friday and Saturday, then cooler air will filter into the northeastern United States for the end of the weekend.

Europe
Windy, damp and cool weather will continue over much of the British Isles, France and Germany, while abnormal warmth will persist over southeastern Scandinavia, the Ukraine and western Russia through Sunday. Showers and thunderstorms are likely from Poland southward to northern Italy.

Asia
Soaking rain will persist across south-central China, while northern and western China bakes under sizzling sun. Strong thunderstorms will traverse northeastern China and northern Japan Friday through Sunday. Partly sunny with a thunderstorm in Tokyo. Humid with some showers in Hong Kong.

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	20/68	11/52 s	23/71	16/61 s
Amsterdam	18/64	10/50 c	17/62	11/52 r
Ankara	27/80	7/44 s	27/80	8/46 s
Athens	31/88	22/71 s	33/91	24/75 s
Barcelona	20/68	13/55 pc	20/68	12/53 pc
Belgrade	33/91	18/66 pc	36/97	19/66 s
Berlin	29/84	16/61 c	23/73	13/55 pc
Brussels	17/62	10/50 c	19/66	10/50 r
Budapest	29/84	19/66 c	33/91	21/70 s
Copenhagen	26/79	16/61 pc	20/68	11/52 sh
Costa Del Sol	23/73	13/55 s	25/77	16/61 s
Dublin	16/61	9/48 r	17/62	9/48 c
Edinburgh	17/62	9/48 sh	18/64	10/50 c
Florence	28/82	15/59 pc	28/82	16/61 pc
Frankfurt	29/84	16/61 c	24/75	15/59 pc
Geneva	20/68	9/48 sh	20/68	11/52 r
Helsinki	28/82	17/62 pc	24/75	14/57 r
Istanbul	28/82	17/62 s	31/88	20/68 s
Kiev	24/75	16/59 c	27/80	17/62 pc
Las Palmas	22/71	16/61 s	21/70	17/62 s
Lisbon	19/66	11/52 pc	20/68	14/57 pc
London	16/61	11/52 sh	18/64	10/50 sh
Madrid	23/73	10/50 pc	26/79	10/50 pc
Mallorca	18/64	14/57 pc	19/66	16/61 pc
Milan	26/79	18/61 r	28/79	14/57 pc
Moscow	28/82	18/64 pc	29/84	18/64 pc
Munich	24/75	12/53 sh	21/70	11/52 sh
Nice	24/75	18/61 pc	22/71	14/57 c
Oslo	24/75	14/57 pc	26/79	16/61 pc
Paris	16/61	9/48 c	14/57	8/46 r
Prague	27/80	12/53 pc	22/71	11/52 c
Reykjavik	12/53	6/43 pc	11/52	5/41 pc
Riga	22/71	18/61 r	26/79	16/61 s
Rome	29/84	17/62 pc	29/84	18/64 s
St Petersburg	29/84	20/68 s	28/82	18/64 pc
Stockholm	23/73	14/57 c	24/75	15/59 s
Strasbourg	21/70	9/48 r	22/71	11/52 pc
Tallinn	27/80	18/61 pc	27/80	18/64 pc
Tbilisi	29/84	18/64 sh	26/77	18/66 r
Venice	26/79	17/62 r	27/80	17/62 s
Vienna	27/80	17/62 c	28/82	17/62 pc
Warsaw	27/80	16/61 pc	26/79	14/57 c
Zurich	21/70	11/52 r	21/70	11/52 sh

Middle East

Abu Dhabi	37/98	29/73 s	35/95	24/75 r
Beirut	27/80	21/70 s	27/80	21/70 s
Cairo	37/98	21/70 s	37/98	21/70 s
Damascus	34/93	15/59 s	35/97	16/61 s
Jerusalem	28/82	14/57 s	28/82	15/59 s
Luxor	43/109	19/66 s	43/109	21/70 s
Riyadh	42/107	24/75 s	41/106	26/79 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	23/71	13/55 pc	21/70	12/53 pc
Atlanta	36/97	22/71 s	35/95	22/71 pc
Boston	25/77	18/64 sh	26/79	17/62 t
Chicago	24/75	16/61 pc	24/75	13/55 pc
Dallas	37/98	23/73 s	33/91	21/70 pc
Denver	30/86	11/52 s	27/80	13/55 t
Detroit	24/75	14/57 t	26/79	15/59 pc
Honolulu	28/82	21/70 pc	30/86	22/71 pc
Houston	36/97	24/75 c	35/95	23/73 pc
Los Angeles	31/88	18/64 s	30/86	17/62 pc
Miami	33/91	26/79 t	33/91	26/79 t
Minneapolis	22/71	10/50 pc	22/71	11/52 pc
Montreal	24/75	16/61 sh	26/79	15/59 t
Nassau	32/89	26/79 pc	33/91	25/77 pc
New York	27/80	19/66 sh	29/84	19/66 pc
Orlando	36/97	23/73 t	34/93	24/75 t
Phoenix	42/107	26/79 s	42/107	27/80 s
San Fran	24/75	13/55 s	23/73	13/55 pc
Seattle	24/75	13/55 s	26/79	14/57 pc
Toronto	26/77	14/57 t	26/79	15/59 pc
Vancouver	23/73	14/57 pc	23/73	14/57 pc
Washington	31/88	20/68 t	30/86	20/68 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	38/100	18/64 s	36/97	21/70 pc
Bali	32/89	22/71 pc	31/88	23/73 pc
Bangkok	32/89	25/77 c	32/89	25/77 c
Beijing	31/88	21/70 c	33/91	22/71 pc
Bombay	29/84	25/77 r	29/84	24/75 r
Calcutta	31/88	26/79 r	31/88	25/77 r
Chiang Mai	33/91	23/73 c	33/91	24/75 pc
Colombo	31/88	26/79 pc	30/86	25/77 pc
Hanoi	32/89	27/80 pc	32/89	26/79 pc
Ho Chi Minh	33/91	24/75 pc	33/91	24/75 pc
Hong Kong	31/88	28/79 c	30/86	25/77 pc
Islamabad	41/106	27/80 s	43/109	28/82 s
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	33/91	26/79 pc	33/91	26/79 pc
K Lumpur	32/89	23/73 pc	31/88	23/73 c
K Kinabalu	30/86	21/70 r	30/86	21/70 pc
Manila	31/88	23/73 pc	31/88	24/75 pc
New Delhi	43/109	30/86 s	43/109	31/88 s
Phnom Penh	33/91	24/75 pc	33/91	24/75 pc
Phuket	33/91	25/77 c	32/89	25/77 c
Rangoon	32/89	24/75 c	32/89	25/77 pc
Seoul	31/88	22/71 c	31/88	22/71 c
Shanghai	32/89	26/79 c	31/88	26/79 t
Singapore	31/88	22/71 r	31/88	23/73 pc
Taipei	28/82	26/79 t	32/89	25/77 r
Tokyo	30/86	26/77 c	31/88	24/75 pc
Vientiane	32/89	26/79 pc	31/88	26/79 pc

Africa

Algiers	27/80	14/57 s	28/79	15/59 s
Cape Town	18/64	7/44 pc	11/52	3/35 pc
Casablanca	18/64	11/52 s	19/66	10/50 s
Harare	24/75	9/48 s	26/77	12/53 s
Lagos	27/80	22/71 c	27/80	22/71 r
Nairobi	20/68	12/53 sh	24/75	11/52 c
Tunis	34/93	20/68 s	36/97	21/70 s

Latin America

Buenos Aires	9/48	4/39 pc	9/48	-1/31 pc
Caracas	31/88	24/75 pc	31/88	24/75 pc
Lima	20/68	17/62 s	22/71	17/62 pc
Mexico City	20/68	13/55 c	24/75	13/55 pc
Rio de Janeiro	27/80	21/70 pc	27/80	21/70 pc
Santiago	6/43	-1/31 c	15/59	4/39 s

Oceania

Auckland	14/57	10/50 r	13/55	6/43 pc
Sydney	14/57	10/50 r	14/57	6/43 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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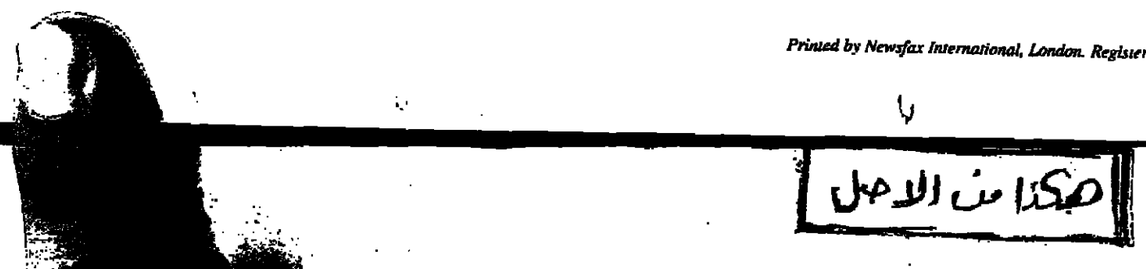


هكذا من الأصل

THE AMERICAS

Oklahoma Unveils Design for a Bombing Memorial

By Lois Romano
Washington Post Service

OKLAHOMA CITY — A serene, sweeping design by three young architects has been unveiled as the winner of an international competition for a permanent monument to the victims and survivors of the 1995 bombing here.

Its most dramatic feature is expected to the 168 stone and glass chairs, which will occupy the space where the Alfred P. Murrah Federal Building once stood. Each chair will be illuminated from beneath and bear the name of a victim of the worst act of terrorism commited on American soil.

Local officials, including Oklahoma's governor, Frank Keating, gathered Tuesday in front of the now-grassy site to announce plans for an elaborate, three-acre, $24 million complex that will include the memorial, an interactive museum to tell the story of those affected by the bombing and an institute to study terrorism.

The Oklahoma City Foundation, formed to spearhead the project, hopes to break ground within a year and to complete construction within two. The money, including $8 million for the memorial, will come from federal, state, city and private funds. Former Defense Secretary Dick Cheney, now chairman of the Dallas-based Halliburton Co., will head the fund-raising effort.

A 15-member committee, a majority of whom are survivors or relatives of victims of the blast, unanimously selected the memorial design by the team of Hans-Ekkehard Butzer, his wife, Torrey, and Sven Berg, all Berlin-based architects in their 30s.

The architects, whose design prevailed over 624 entries in the competition, clearly understood that emotions were still raw and tried to satisfy all their constituencies.

"There are so many aspects to what has happened in the bombing and we wanted to address each and every one of them," Mr. Butzer said. "The most important element was to convey the impact of the loss, but we wanted everybody — survivors, rescue workers — to find their place and be comfortable."

The centerpiece of the area dedicated to the survivors is an elm tree that burned and lost all of its leaves in the explosion — but lived. Known as the Survivors' Tree, it will be surrounded by a circular wall that likely will be inscribed with the names of survivors. An orchard of fruit trees will honor the rescue workers, and there will be a special area with large chalkboards for children to record their thoughts.

A shallow reflecting pool bordered by trees will replace a block of Fifth Street, a few feet from where Timothy McVeigh, who was condemned to death last month, detonated a Ryder truck stuffed with explosives on April 19, 1995. At each end of the pool will be a gate, one etched with the time "9:01," the other with "9:03" — the moments before and after the bombing.

Mr. Butzer said the empty chairs were intended to send a powerful message of the number of lives lost. The chairs — with smaller ones representing the 19 children killed — will be aligned in nine rows to represent the nine-story building. Each row will contain chairs corresponding to the number of people killed on each floor.

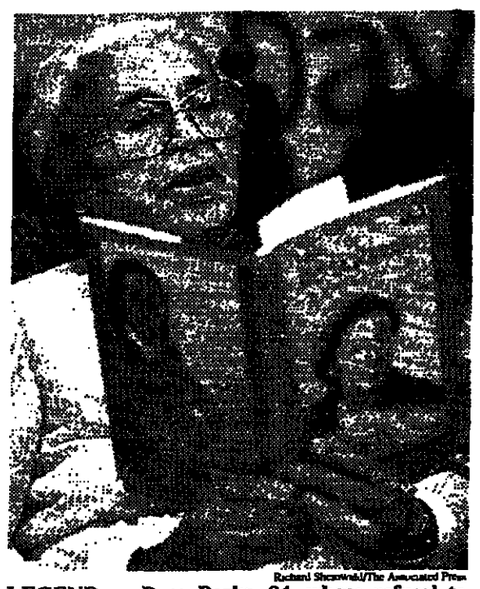
While visitors will be able to sit on the chairs, Mr. Butzer said, the architects hope to encourage them to first "take a moment to decide where they are in the healing process."

There is a bill pending in Congress to classify the site as a national memorial.

Mr. Butzer, who is American-born, his wife, an Oklahoma native, and Mr. Berg, a German, plan to relocate to the United States to refine the plan and oversee the execution of their design.

The three have worked together on various projects overseas. They and four other finalist teams each received prizes of $15,000.

POLITICAL NOTES



Richard Sheinwald/The Associated Press

LEGEND — Rosa Parks, 84, whose refusal to move to the rear of a bus in Montgomery, Alabama, ignited the civil-rights movement, reading in Detroit from a children's book she wrote.

Aide Quits Fund-Raising Probe

WASHINGTON — The chief counsel to the House committee investigating Democratic fund-raising practices has abruptly resigned after repeated clashes with the committee's top investigator.

The counsel, John Rowley 3d, said in a letter to the chairman of the House panel, the Government Reform and Oversight Committee, that he had "not been given the authority necessary to accomplish the committee's goals."

Mr. Rowley's letter criticized the committee's top investigator, David Bossie. "Due to the unrelenting 'self-promoting' actions of the committee's Investigative Coordinator," it said, "I have been unable to implement the standards of professional conduct I have been accustomed to at the United States Attorney's office."

Before joining the committee in February, Mr. Rowley was an assistant U.S. attorney for the Eastern District of Virginia.

Mr. Bossie, who is not a lawyer, has spent the last few years trying to discredit President Bill Clinton. He joined the House panel after serving as an investigator on the Senate Whitewater committee. *(NYT)*

Quote / Unquote

Paul Clark, spokesman for Senator Fred Thompson's Governmental Affairs Committee, which is soon to open public hearings on Democratic fund-raising, on the White House tactic of the preemptive release of damaging information about itself: "It's unfortunate for us. They've clearly tried to minimize the impact of all this bad news. It takes away the surprise from any hearing. We want to *keep our powder dry, and present it to the American* people all at one time." *(WP)*

AMERICAN TOPICS

Indians in California Search For Official Recognition

Jerri Davis tired long ago of hearing people like the woman on a bus in Oakland, California, who, when asked if she thought sports teams should be named after Indians, replied: "What's the point? There are no Indians left."

Ms. Davis is a Pomo Indian. Her ancestors were the first Californians. After centuries of suffering that nearly wiped out the state's Indians, they have returned. Still, like Ms. Davis, they sometimes feel invisible.

In California, there were about 350,000 Indians when the Spanish established their first mission in 1769, reports The Sacramento Bee. By 1900, disease, war and genocide had reduced the number to 16,000. But today there are about 320,000, more than in any other state. Nationwide, there are more than 1.5 million.

The numbers, however, are subject to debate. At least 75,000 California Indians from 80 tribes are non-Indians in government eyes. California has 36 tribes fighting for official recognition, and with it, federal benefits. It is a glacial process: The federal Bureau of Indian Affairs has recognized one tribe in 19 years. Federal funds are also based largely on tribal land holdings, and California Indians are the most land-poor, and thus poverty-stricken, in America.

There are, however, signs of renaissance in California and elsewhere. Tribes are reviving folk dances, languages, healing arts and land-use techniques in an effort to restore pride and ensure self-reliance. The ones who survived are really survivors, said Ernie Stevens, an Oneida Indian leader from Wisconsin. In them is a spirit that cannot be quenched.

Short Takes

Want to know what's hot? Ask the police. Thieves, it appears, are incredibly attuned to fashions. In the Los Angeles area, four savvy thieves entered a shop and took $50,000 worth of cigars — only the hottest-selling brands. Laptops are being lifted right and left. The FBI recovered 15 Harley-Davidson motorcycles on a Caribbean island, apparently headed for Eastern Europe, where they fetch twice the U.S. sticker price. Designer jeans have been hijacked for resale in Japan, and leather coats diverted to Russia. Is there no end? Apparently not, reports the Los Angeles Times. A load of the much-sought-after dolls known as Beanie Babies — street value: $10,000 — recently vanished.

A church in Putnam County, West Virginia, wants to help strippers find new careers. The Lighthouse Baptist Church, in the town of Hurricane, plans to set up a trust fund to provide income, health insurance, day care and free job training for the women. At least one stripper found the offer insulting. "I'd rather keep my job here," said Amanda Rice, who works at a club called Lady Godiva's. "I don't see anything wrong with being a dancer." But Lady Godiva's owner, Calvin Lavender, favors the plan. "If they want to help the girls better themselves," he said, "I'm all for it." The church has set a fund-raising meeting for July 20.

Brian Knowlton

Teenage Moms Stay Jobless Despite Aid, Study Shows

By Barbara Vobejda
Washington Post Service

WASHINGTON — One of the nation's best-funded programs for disadvantaged teenage mothers has failed to improve their chances of becoming self-sufficient, according to a rigorous study carried out over several years that was issued Wednesday.

The study found that teenagers enrolled in the program, called New Chance, were no more likely to find a job, leave welfare or avoid having another child than young mothers who had not received its intensive services.

Three and a half years after they entered the program, about 75 percent of the young women were receiving public assistance, 28 percent were working and three quarters had become pregnant with an additional child.

The findings offer more evidence that improving the lives of the nation's most disadvantaged families is extraordinarily difficult, and even the most intensive programs have little effect in counteracting the powerful forces at work in poor communities.

The research also has important implications for the new welfare system, since half of the 4 million adults on welfare had their first children when they were teenagers. The new welfare law will not let recipients stay on the rolls longer than five years during their lifetimes, so figuring out how to change behavior is critical to its success.

The study results, made public by the Manpower Research and Demonstration Corp., a New York-based research organization that also designed the aid program, were disappointing because New Chance is considered among the most elaborate and comprehensive of its kind, operating in 12 cities around the country. The program spent about $9,000 per mother, showering them with education and training, child care, parenting classes, health care and counseling.

The program did increase the likelihood that the teenagers would receive a high school equivalency degree, but it did not increase their earnings compared with other teenage mothers, nor did the program help their children become any more academically prepared for preschool.

Away From Politics

- **The man charged with killing two CIA employees** in a 1993 shooting spree outside the spy agency will stand trial in November in a courtroom without cameras, a judge ruled. Mir Aimal Kansi faces a possible death penalty. *(AP)*
- **Seven security and baggage workers at La Guardia Airport** in New York stole hundreds of thousands of dollars from suitcases that drug traffickers carried through the American Airlines terminal in the last two years. The workers singled out passengers they thought likely to be couriers. *(NYT)*
- **Flint Gregory Hunt, 38,** who killed a police officer in 1985, was executed by injection in Baltimore. *(AP)*

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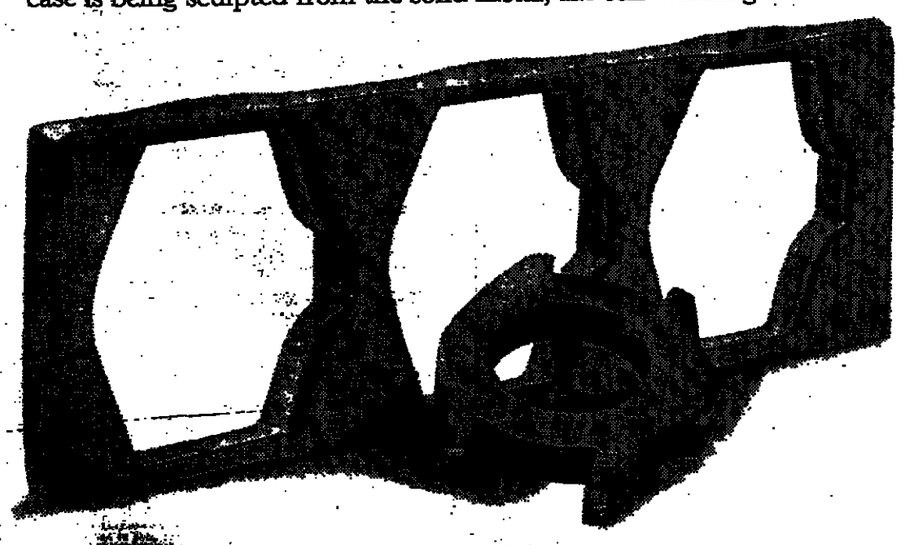

that beats within is painstakingly constructed. Every single part of the movement is tested, inspected, and cleaned ultrasonically over and over again. In all, it takes a whole year to create a Rolex. Not such a long time, perhaps, for a watch that is engineered to last a lifetime.

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ASIA/PACIFIC

Hong Kong's New Leader Reaffirms Pledge on Freedoms and Elections

Compiled by Our Staff From Dispatches

HONG KONG — Tung Chee-hwa, in his first news conference as Hong Kong's new leader, gave fresh assurances Wednesday about Hong Kong's freedoms and again pledged to hold elections by mid-1998.

The territory, which came under the Chinese flag Tuesday, "will have a high degree of autonomy for a long, long, long time," Mr. Tung said. Under terms of the handover, the former British colony will maintain its capitalist system and way of life for 50 years.

Facing 400 foreign and Hong Kong journalists, the 60-year-old shipping tycoon fielded questions for an hour in English, Cantonese and Mandarin.

Appearing relaxed and affable, he sidestepped a few sensitive questions, such as whether legal action would be taken against democracy militants who defied the government and made handover-night protest speeches from the balcony of the legislative building.

Hong Kong's elected legislature was replaced by a body set up by China. Mr. Tung on Wednesday again promised elections by June 30, but declined to specify the month.

Asked how Hong Kong's 6.3 million people and mainland China's 1.2 billion can trust each other, Mr. Tung said Hong Kong must "get to know our own country better" but shouldn't feel obliged to "humor or accommodate" China.

"There will be conflicts, and obviously they will need to be talked through in order to make sure that our interests are looked after," he said. "But the important thing is that our long-term interests are very similar."

The new government's tolerance of dissent was tested Tuesday when 3,000 protesters marched on a main thoroughfare demanding more democracy. Police did not interfere; in fact, they carefully cleared traffic so the march could proceed.

"Would I do it this way? Obviously not," Mr. Tung said of the protest. "I would have thought of a better way of communicating."

But he added that demonstrations, "so long as they are lawful," will be permitted.

It became clear on Wednesday that six Hong Kong police inspectors resigned just before the handover because they feared being ordered to violate human rights. "In view of things like the June 4 event, we don't want to serve the Special Administrative Region," Chik Ki-wai, a former senior inspector, said.

He was referring to Beijing's crackdown on the student-led Tiananmen Square demonstrations in 1989. Every year since then, thousands of Hong Kong people have taken part in open-air vigils on June 4 in memory of the victims.

China's president, Jiang Zemin, sought Tuesday in a nationally televised speech to hold up Hong Kong as a model for Taiwan if it, too, returns to Chinese rule. Beijing hopes success in Hong Kong will lure Taiwan's rival Nationalist government into talks on reunification.

Wednesday was the last day of a five-day handover holiday in Hong Kong, and was supposed to have featured a final burst of open-air festivities. But a planned procession of floats was canceled due to rain storms.

Hong Kong's financial markets will pass their verdict on the post-colonial economy when they reopen on Thursday. Brokers said the only immediate cloud was Mr. Tung's comments on reining in runaway property prices.

"There are expectations that the market will rally and that Chinese money will enter the market so that it will close higher under the new flag," said Franklin Lam, director of research at SBC Warburg.

The market wound up its final trading day under British rule last Friday at a record high.

Business leaders expressed confidence that nothing would change under Chinese rule. "We'll be opening for business on Thursday exactly as we closed on Friday," William Purves, a Hong Kong Bank executive, told Cable News Network.

Economists greeted Mr. Tung's promises to make Hong Kong's economy more competitive, partly by upgrading its technological base, with some skepticism.

In its second day of Chinese sovereignty, Hong Kong was undercutting in ways large and small that a new era has begun.

With Foreign Minister Qian Qichen of China looking on, Mr. Tung presented medals to a dozen people for service to Hong Kong.

Only three days ago, similar honors were bestowed by Britain, the colonial power for 156 years.

Recipients, honored for, among other things, fostering "a love for the motherland," included Elsie Tu, 83, an Englishwoman once the bane of the colonial government for her crusades on behalf of Hong Kong's poor.

Another recipient was Henry Fok Ying-tung, a business and real estate tycoon who was cold-shouldered for decades by the British as a Communist sympathizer. *(AP, Reuters)*

Oil Slick Fouls Tokyo Bay

Tanker Accident Unleashes Nation's Worst Spill Ever

The Associated Press

YOKOHAMA, Japan — In Japan's worst oil spill ever, a supertanker damaged its hull in Tokyo Bay's shallow waters Wednesday and dumped 13,400 tons of crude into the country's busiest port.

The spreading slick, at least five kilometers (three and a half miles) in diameter, was drifting north toward Tokyo, and the authorities feared it could hit fishing grounds near the coastline by Thursday. More than a dozen people — mostly children — were sickened by the fumes.

"This is the worst oil spill Japan has ever experienced," Transportation Minister Makoto Koga told a government task force set up to deal with the accident.

Despite the size of the spill, it was a fraction of the 11 million gallons of oil unleashed by the Exxon Valdez in Alaska in 1989.

The 147,000-ton, Panamanian-registered Diamond Grace ran aground Wednesday morning 35 kilometers (22 miles) southeast of Tokyo, just off the coast of Yokohama. The leaking stopped 90 minutes after the accident, and the tanker moved to Kawasaki to be emptied.

Dozens of ships were mobilized to clean up the spill and slow the oil's advance. Workers spread absorbent mats on the slick or scooped it up with barrels, buckets and ladles, while helicopters sprayed dissolving agents on it.

"The most important thing for us to do now is to limit the extent of the spill," said Shigehiro Sakamoto, head of the emergency task force. "We are putting all of our resources into that."

The accident was being investigated, and local fishermen wondered how the navigators of such a huge tanker could have misjudged the well-known contours of the busy bay.

Anguri Kamoshita, captain of a fishing boat in the bay, said that part of the bay was usually crowded with ships, "so the tanker might have been trying to move out of the way of another ship when it ran aground."

It was uncertain how the spill would affect business in the bay. Despite the slick and the heavy odor of oil wafting over the water, the bay was full Wednesday of fishing boats and other vessels.

Also unclear was how the slick would affect life as it neared Tokyo and neighboring Chiba — home to nearly 18 million people.

Fifteen people, including 13 children, were nauseated by the strong oil odor and hospitalized, but none was seriously ill. No more illnesses were reported and officials said the smell had abated.

The greatest immediate threat seemed to be to the bay's fishing grounds. Yokohama port is heavily industrialized and oil storage facilities dot the coastline, but towns that depend on the bay's fish stocks — which feed the country's biggest metropolitan area — ring the bay as well.

The spill was the second major oil accident in Japan this year. In January, a Russian tanker split and sank in the Sea of Japan off the western coast, spilling 4,080 tons (1.2 million gallons) of fuel oil and fouling hundreds of kilometers of shoreline.

According to figures provided by the Maritime Safety Agency, Wednesday's spill dumped nearly twice as much oil as Japan's previous worst spill, in 1974, when 6,800 tons poured from a storage tank in southwestern Japan.

The Diamond Grace with its 25-member crew was en route to Kawasaki from a port in the United Arab Emirates, carrying 257,000 tons of crude oil.

The Kyodo News agency reported that the tanker scraped a reef in shallow waters, tearing holes in oil tanks near the starboard bow. Officials were questioning the captain, Kyodo said.

Mr. Sakamoto, head of the government task force, said three tanks were damaged, but only two of them held oil. He said officials were investigating exactly what the tanker hit. One of the gashes was three meters long.

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THE WORLD'S DAILY NEWSPAPER

BRIEFLY

David Brauchli/The Associated Press

RAIN ON THE HANDOVER PARADE — A Chinese woman in Hong Kong fending off the rain with fans while awaiting another handover celebration.

Taiwan Political Brawl

TAIPEI — Taiwan's inflammatory politics erupted anew Wednesday when male and female lawmakers kicked, shoved, punched and wrestled one another during a session of the National Assembly.

Two deputies were hospitalized, one with a serious head wound, in the worst brawl so far in the three-month-old session.

The melee started when opposition New Party deputies rushed the podium to block discussion of constitutional amendments introduced by their Nationalist and Democratic Progressive Party foes.

The New Party has been largely cut out of negotiations on amendments that would redefine Taiwan's governmental structure.

The assembly, which has a reputation for brawling, has had only a couple of minor scuffles this year. *(AP)*

Papua Talks Scheduled

WELLINGTON — Talks aimed at ending the secessionist war on Papua New Guinea's Bougainville Island will begin this weekend in New Zealand, Foreign Minister Don McKinnon said Wednesday.

Mr. McKinnon said in a statement that the meeting would bring together senior members of the Papua New Guinea-backed Bougainville transitional government, the Bougainville interim government and its military wing, the Bougainville Revolutionary Army. *(Reuters)*

Afghan Loss Is Denied

KABUL — Afghan opposition forces denied a report Wednesday that they had lost control of the northeastern town of Taloqan, headquarters of the ousted president, Burhanuddin Rabbani, to the Taleban Islamic militia.

A spokesman said that Taleban forces "are neither in Taloqan nor anywhere else in Takhar province." *(Reuters)*

6 Koreans Are Indicted

SEOUL — Six South Korean students were indicted on manslaughter and other charges Wednesday in the beating death of a factory worker during last month's violent student protests.

The worker, Lee Seok, 23, died June 4 of internal bleeding after he was beaten at a university campus in Seoul by students who suspected he was a police informer.

Prosecutors were searching for 15 other student leaders.

A nationwide group of student activists admitted that Mr. Lee was beaten, but its leaders refused to turn themselves in for questioning. *(AP)*

'Fodder Scam' Hits Coalition in India

By John F. Burns
New York Times Service

NEW DELHI — Barely 10 weeks after Prime Minister Inder Kumar Gujral took office with a pledge to provide India with "clean government," he is struggling to hold his coalition together in the face of a corruption scandal that could send one of his most powerful allies to prison.

"Fodder scam," so-called because it involves vast herds of fictitious livestock, has stirred widespread concern, even in this country, which is weary of political corruption and scandal investigations that rarely result in convictions.

One reason is that the scandal, said to involve $285 million, occurred in one of the country's poorest regions, the northeastern state of Bihar. The money, which is reported to have been stolen over nearly 20 years, came from agricultural support programs aimed mainly at helping the 350 million Indians who live in extreme poverty.

According to indictments in the case, politicians and senior officials in Bihar invented phantom livestock herds, then made fraudulent payments for fodder and medicine for the animals, as well as for artificial insemination equipment.

The politician accused of being at the heart of the scam, Laloo Prasad Yadav, won power as Bihar's chief minister, or head of government, by presenting himself as a champion of the low-caste groups.

He has denied the allegations, and threatened to stir up political violence if he is arrested. The government in New Delhi has dispatched extra troops to Bihar while it ponders its next move.

In the last year, when there have been four governments in New Delhi, Mr. Yadav has twice put his name forward for prime minister, losing each time but playing a key role in selecting the new leader.

On the most recent occasion, in April, Mr. Gujral, 77, relied heavily on Mr. Yadav's backing. The alliance arose from the fact that Mr. Yadav is national president of the Janata Dal, the centrist political party to which Mr. Gujral belongs, and which forms the largest component in the shaky 14-party coalition.

In April, the Central Bureau of Investigation named Mr. Yadav, the Bihar chief minister, as one of 56 people it intended to prosecute for fraud in the fodder scam.

Mr. Gujral attempted to persuade Mr. Yadav to resign as Bihar's chief minister and as Janata Dal president, but Mr. Yadav refused to quit and threatened to order Janata Dal legislators from Bihar to withdraw their support of the government.

On Monday, Mr. Gujral announced that he had fired the director of the Central Bureau of Investigation, Joginder Singh, for what Mr. Gujral described as incompetence. Opponents charged that the prime minister had acted to knock the prosecution of Mr. Yadav off course, but Mr. Gujral said he was forced to act because of the erratic behavior by Mr. Singh in announcing prosecutions before investigations were complete.

In weighing his choices now, Mr. Gujral will have to take account of Mr. Yadav's threat to ignite political violence if the prime minister dismisses the state government and imposes direct rule from New Delhi, and of the risks to his own government, since Mr. Yadav's threats to withdraw support have been countered by warnings from Communists in the coalition that they may withdraw their backing if he is not removed.

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EUROPE

Kohl Feels New Pressure Over NATO

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl came under pressure at home Wednesday to back Romania and Slovenia for NATO membership ahead of the alliance's summit meeting in Madrid next week.

A leader of the opposition Social Democratic Party called on Mr. Kohl to make up his mind on whether NATO should invite three or five Central European states to join, while diplomatic sources in Bonn said the chancellor was being urged to endorse Romania and Slovenia.

The Czech Republic, Hungary and Poland are expected to be invited to join the North Atlantic Treaty Organization in a first wave of enlargement.

While the United States wants to limit the first enlargement to those three, many European NATO members want Slovenia and Romania included. Germany, whose voice could be decisive, has remained noncommittal.

Because of its sensitive position at the heart of Europe, Bonn has avoided the public debate about which candidates it wanted to see invited to join the first wave of new members.

Germany's foreign-policy establishment wants to limit the initial intake to the three prime candidate countries, but it also wants to avoid having to say "no" to other Central European countries in ways that humiliate them, diplomats said.

But this discreet approach proved untenable in recent months, after President Jacques Chirac of France came out in support of the candidacies of several countries, including Romania.

The French campaign put Germany under potentially embarrassing pressure to declare its own preference, even at the risk of distressing Romania and several other countries that aspire to eventual membership, the diplomats said.

To cut the speculation short, Washington signaled its readiness two weeks ago to block attempts to enlarge the first NATO intake beyond the three prime candidates — a stand that came as a relief to Bonn.

Now that it is clear Romania and some other countries cannot expect early membership, diplomats said, the Kohl government can stress its support for the idea that NATO must keep the door open for such countries as Romania and Bulgaria.

In the meantime, the flare-up of political debate in Bonn is a politically painless exercise, a U.S. official noted, because "now the Europeans can say, 'We wanted you but Washington blackballed the idea.'"

Meanwhile, President Emil Constantinescu of Romania was due to meet Mr. Kohl in Bonn in a last ditch attempt to elicit support from Europe's largest NATO member.

The Social Democratic Party's foreign-affairs spokesman, Guenther Verheugen, said on SWF radio that Romania and Slovenia were deserving candidates, and he warned the government not to allow France's and the United States' conflicting views to influence its policies.

"We are talking about European, not American, NATO expansion," he said, "and when the most important European NATO member fails to take a view on what this expansion should look like in the end, then our foreign policy is at a deplorable low.

"When Kinkel tells the German Parliament, 'We are happy with three, four or five new members' — this is nothing but poverty of conviction of the worst possible kind," Mr. Verheugen said, referring to Foreign Minister Klaus Kinkel's remarks at a parliamentary debate on NATO last week.

The United States offered a measure of encouragement to potential members on Wednesday, saying "the question is not whether, but when" they would be accepted.

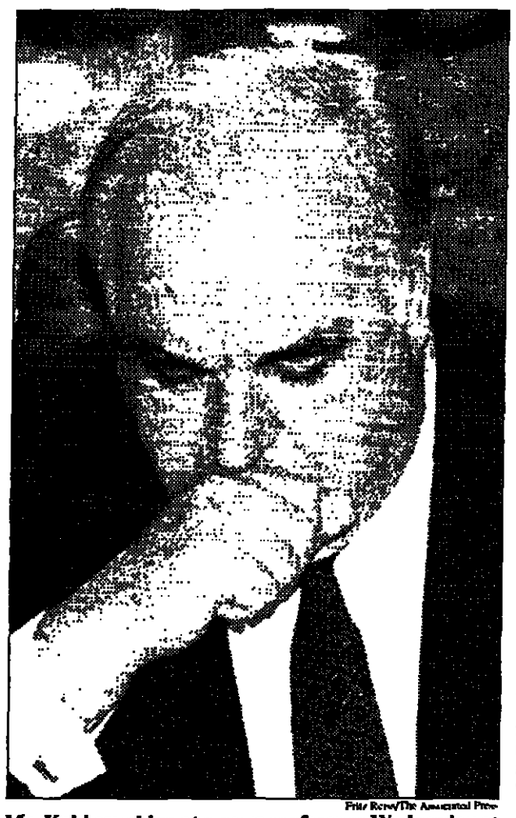
"We need some more time working with Romania and Slovenia," said Sandy Berger, President Bill Clinton's national security adviser. *(Reuters, AP)*

■ Solana Won't Set Dates

The NATO secretary-general, Javier Solana Madariaga, declined Wednesday to say when countries excluded from the first wave might be allowed to join, Agence France-Presse reported from Brussels.

"It would not be wise to fix dates because Europe is developing at such speed that we cannot predict the future," Mr. Solana said in an interview with a Belgian newspaper, Le Soir.

Romania "is a valid candidate that deserves entry into NATO," he added.



Fritz Reiss/The Associated Press

Mr. Kohl coughing at a news conference Wednesday at the chancellery in Bonn. Too many speeches, he said.

World Bank Halts Loan for Croatia

By Steven Lee Myers
New York Times Service

WASHINGTON — Under pressure from the United States, the World Bank has taken the unusual step of postponing indefinitely a vote on a $30 million loan to Croatia that the country had hoped to use to shore up its banking systems and stimulate private investment.

The Clinton administration lobbied vigorously last week to block the loan as a way to express its displeasure with President Franjo Tudjman for failing to comply with the 1995 peace accords negotiated in Dayton, Ohio, to end the war in Bosnia.

At a meeting here Tuesday, the World Bank's executive directors were sharply divided and, rather than voting on its approval, agreed to remove it from consideration for an unspecified amount of time, according to two administration officials familiar with the discussions.

The United States was joined by its major allies in Europe, as well as Canada and Japan, the officials said. But directors representing other countries accused the United States of using the loan as a political statement.

Jan Piercy, the U.S. executive director, said after the meeting that it was necessary to postpone consideration of the loan for legal and economic reasons. She argued that Croatia's failure to abide by the Dayton peace agreement raised questions about its commitment to international accords and the stability of its economy.

"In this instance, the economic and political factors are so intertwined as to be indivisible," Ms. Piercy said.

The United States routinely votes against or abstains from loans to certain countries, including those regarded as supporting terrorism, but in most cases those loans go ahead anyway. What made Tuesday's step unusual was Washington's ability to rally enough support to at least postpone, if not reject, a vote.

A State Department spokesman, John R. Dinger, said the United States opposed the loan because of the Croatian president's "insufficient compliance" with the promises made in the Dayton accords. In particular, he cited an unwillingness to allow Serbian refugees to return to their homes in Croatia and a failure to cooperate in efforts to bring those indicted for war crimes to face charges before the International Tribunal in The Hague.

The action was welcomed in Congress, where there is a growing sentiment that the administration should condition its support of loans and other assistance to the Balkans on cooperation with Dayton, particularly on the issue of war criminals.

Officials doubted that the loan would come up for consideration soon. But other international loans are set for consideration, including a $40 million loan from the International Monetary Fund next week.

Berisha Aides Said to Depart

Albanians See Trips Abroad as Clue on President

By Jonathan C. Randal
Washington Post Service

TIRANA — Two of President Sali Berisha's much-feared security officials left Albania within hours of the devastating defeat of his Democratic Party in elections on Sunday. This news raised hope among Albanians that Mr. Berisha might resign soon.

Deputy Interior Minister Agim Shehu flew to Germany, and the Presidential Guard commander, Xhahit Xhaferri, left for Turkey on Monday, it was reported.

Following suit, Interior Minister Belul Cela was seen boarding a flight for Athens.

Their departures were interpreted as signs that Mr. Berisha will not remain in power long now that the Socialist Party has won a majority in Parliament.

In Albania, the president is chosen by Parliament.

Still, many people are keeping their fingers crossed.

Predictions of wholesale post-election violence have yet to materialize but supposedly ironclad deadlines have begun to slip, most ominously the publication of the first-round results in the 155 Parliament races.

President Berisha conceded to the Socialists on Monday. But he avoided saying unequivocally whether he would keep a promise he made in March to resign the presidency if his party was defeated. He seemed to indicate, however, that he recognized the defeat.

[Mr. Berisha said Wednesday that he intended to resign once a leftist government came to power, Reuters reported from Tirana.

["Definitely," he said at a news conference when asked whether he intended to quit if a leftist government was formed. "There is no doubt of that. I never had the smallest doubt in that respect."]

The rioting in March, sparked by the collapse of financial investment scams throughout the country, plunged Albania into disorder. Rage against Mr. Berisha's government led to the decision to call elections.

On a hill on Tirana's outskirts, Ilir Banushi confided to a neighbor that he was overcome with joy to hear that Mr. Berisha had acknowledge defeat.

"For the first time since I got hold of a looted Kalashnikov last spring, I actually fired it," he said sheepishly.

But many Albanians remain unconvinced that Mr. Berisha has run out of tricks, and some pointed to a furor over the results of a referendum on Albania's monarchy as evidence.

A headline in Albanian, a newspaper reputed to be close to the president, proclaimed victory in a referendum for re-establishment of the monarchy, which was abolished a half-century ago.

Leka I, son of King Zog, the last Albanian monarch, charged that the claim the voters had rejected the monarchy amounted to fraud.

He said he had won from 54 to 65 percent of the vote, but vowed to abide by the official results.

"Some of Leka's bodyguards used to be members of the Presidential Guard," an Albanian journalist said. "Berisha is using the monarchist card to stir up trouble."

Damir Sagolj/Reuters

Sali Berisha speaking at a news conference Wednesday.

Ulster Protestants Ready 'to Kill'

Reuters

BELFAST — Protestant extremists threatened Wednesday to kill Catholic civilians in the Irish Republic if London banned a parade by pro-British Protestants in Northern Ireland on Sunday.

A caller to a Belfast radio station who claimed to represent the Loyalist Volunteer Force said it would kill people in the republic if an Orange Order march was not allowed to proceed through Garvaghy Road, a Catholic nationalist enclave in Portadown.

"If the Orange parade does not go down the Garvaghy Road on Sunday, the Irish government may expect civilians to be killed in the Irish Republic," a man using a recognized code word of the paramilitary group said.

"This threat will be carried out immediately if the parade is banned," he said.

The Loyalist Volunteer Force, a renegade group that broke away this year from groups controlled by the main loyalist command, was banned last month by the British government because it was suspected of carrying out bombings and shootings.

■ 6 Convicted in London

Six men were convicted Wednesday in London for an Irish Republican Army plot to bomb electrical substations and cripple power to London and southeast England, Agence France-Presse reported.

To applause and shouts from a packed public gallery, two of eight defendants were found not guilty. The jury took a bit more than 12 hours to reach the verdicts at the Old Bailey court after a three-month trial. Among those convicted were senior IRA commanders and middle-ranking volunteers.

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BRIEFLY

NATO Patrols Tense Bosnia Area

PALE, Bosnia — NATO peacekeeping troops stepped up patrols in Bosnia on Wednesday amid a tense power struggle between the Bosnian Serb president, Biljana Plavsic, and her hard-line government opponents.

The peace force said it had deployed additional troops to the northern industrial town of Banja Luka to prevent possible violence between forces loyal to Mrs. Plavsic and those loyal to former President Radovan Karadzic, who has been indicted for war crimes.

"We received indicators overnight of a possible threat to security in the Banja Luka area and we established a military presence in order to maintain a secure environment," Chris Riley, a spokesman, said. *(Reuters)*

Yeltsin Fires Justice Minister

MOSCOW — President Boris Yeltsin on Wednesday sacked Justice Minister Valentin Kovalyov, caught up in a scandal involving a sauna video film, and replaced him with a former national security chief, the Kremlin said.

A spokesman said Mr. Yeltsin, who had earlier suspended Mr. Kovalyov pending an investigation, had signed two decrees on the matter.

Mr. Kovalyov's replacement is Sergei Stepashin, a former head of the federal security service. *(Reuters)*

Top Ukrainian Aide Dismissed

KIEV — President Leonid Kuchma on Wednesday formally dismissed Prime Minister Pavlo Lazarenko, who proved unable to revive the country's sluggish economy during his year in office.

After emerging from a meeting with President Vaclav Havel of the Czech Republic, Mr. Kuchma said he had accepted the prime minister's resignation and he signed a decree removing Mr. Lazarenko. *(AP)*

Italian Party Chief Goes on Trial

BERGAMO, Italy — Umberto Bossi, leader of the Northern League, went on trial Wednesday on charges of incitement to violence for urging followers to take action against those who voted for Italy's far-right party.

"If you know of someone who voted for the National Alliance, take down their names," he had told followers. "I'm not joking about this. At the right moment, if it's necessary, the League will go from house to house and take them." *(Reuters)*

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INTERNATIONAL

Russians Ready a Risky Spacewalk Repair Mission in Effort to Save Mir

By David Hoffman
Washington Post Service

KOROLYOV, Russia — In the great hall that is the heart of Russia's Mission Control, a veteran cosmonaut, Sergei Krikalev, spoke softly, explaining to six U.S. space shuttle astronauts how the Russians hope to save the stricken Mir space station by a difficult spacewalk.

Mr. Krikalev, a deputy flight director who was aboard Mir in December 1991 when the Soviet Union collapsed and broke into separate republics, knows about walking in space. He did it seven times.

The procedure — donning a pressurized spacesuit, squeezing through air locks and getting back aboard — can take hours.

"They never happen in 15 minutes," he said. "The shortest we ever had was two hours. The longest was seven hours."

The accident on Mir was the most serious for the space station since it went into orbit 11 years ago.

Now, the Russian scientists whose agency is in a nearly perpetual state of crisis — with funding sharply reduced and salaries arriving a month late — are planning a series of risky steps to repair the space station.

Everything must go according to plan. A hermetic seal, being hurriedly prepared, must be sent to Mir to be placed between the main space station and the punctured module.

It will be ferried to Mir on a resupply drone scheduled to be launched on Saturday.

Once in orbit, the drone will have to be guided into a tricky docking maneuver similar to the one that was being attempted last week when the collision occurred.

One or more of the three crew members — two Russians and an American — will have to enter the module, pick through a spaghetti tangle of wires to find the right ones and make intricate connections, all while wearing cumbersome spacesuits.

The stakes are especially high because a serious error could force the astronauts to abandon the 100-ton Mir, which is the pride and joy of Russia's space effort and the key to cooperation with the United States in space.

"At the Mission Control from the very beginning was a mood that, 'We'll find a way out of this situation,'" said Vsevolod Latyshev, a part-time press spokesman who is also deputy head of a department that collects and displays data on giant maps in front of the ground controllers. "From the first days, we said we'll get everything back to normal."

"You understand, this is our work," he added. "We have to take care of it. This is also our image, our authority, not only in Russia. It's not just the authority of one person — it's that of our country, of our scientists."

Each day since the accident, Mission Control, just outside Moscow, has been the site of intense activity. A team of U.S. specialists from the National Aeronautics and Space Administration fill one office, and a U.S. astronaut, John Blaha, has just arrived to help the Russians investigate the accident, in which a cargo ship failed to dock properly and rammed Mir.

Mir, in orbit 248 miles (400 kilometers) above Earth, circles the globe 16 times a day and comes into radio communication with the Russian tracking stations only every 90 minutes.

The conversations are monitored in a large, darkened hall where the ground controllers work. The room is a plush auditorium filled with computer monitors and a large screen showing global maps.

A Hewlett-Packard banner graces the front of the hall. The computer company is providing vital equipment.

Across an electronic signboard, there is a flow of data about Mir's flight. The present crew consists of the two Russians, Vasili Tsibliyev and Alexander Lazutkin, who have been in space 140 days, and the American, Michael Foale, who has been aboard 48 days.

Some critics suggest that Mir is too old to remain in orbit safely. It has been beset by mechanical problems, including a major fire in an oxygen-generating canister on Feb. 23.

The latest accident appears to have ruined, for at least several months, if not forever, experiments on the punctured Spektr research module.

To Mission Control workers, there is no question but that Mir, despite all its problems, is helping pave the way for a future international space station and is thus worth keeping aloft.

"No one is denying that, yes, it's old," said Mr. Latyshev, standing in front of a schematic drawing of the space station. "The block is 11 years old, but the Priroda research module is only one year old. It's such an amazing laboratory!"

He likened Mir to a car with problems that would be corrected when the next model came out.

"When they make the next model, they try and improve things," he said. "Either improve it or not make them. It's the experience of Mir, the technical and scientific experience, that will be used in the construction of a new station."

The special seal that will be sent aloft Saturday will have 24 electrical connectors to link Spektr's now-abandoned solar batteries to the main Mir space station. The collision and resulting depressurization forced the crew to disconnect the batteries, reducing Mir's power.

Working in their bulky spacesuits, the astronauts will have to bolt the seal onto an existing hatch. Then they will get back into Mir and seal off Spektr again.

Mr. Foale will be waiting in the Soyuz space capsule attached to Mir, which he and the cosmonauts will use to return to Earth if they abandon ship.

Mr. Krikalev explained the complexities of the mission to the NASA space shuttle crew that will be commanded by Terry Wilcutt. The crew is scheduled to fly the shuttle to Mir next January.

Mr. Krikalev told them that the hardest part of the rescue mission would be to find the right wires to connect in the cramped, disabled Spektr module.

■ Crew to Enter Module

Crew members of Mir made preparations Wednesday to enter the punctured module, where they will try to restore electrical power lost after the collision.

In another development, the cargo ship that hit the Mir was turned loose at 10:32 A.M., Moscow time (06:32 GMT), and burned up in the atmosphere over the Pacific.

ASIA: *Rights for All?*

Continued from Page 1

affairs in South Korea's Foreign Ministry.

"As far as Hong Kong is concerned, economics is the No. 1 issue for the Korean government," he said.

South Korea, which became democratic only in the last decade, knows what it feels like to be pressed by Washington on human rights.

Many other Asian nations still have authoritarian governments.

The difference in the attitude paid to the human-rights issue reflects philosophical differences over economic development. While the United States and Western Europe tend to believe that political freedom goes hand in hand with capitalism, many governments in Asia, as exemplified most by Singapore, believe that free-wheeling personal liberty is not necessary for economic development and might even be inimical to it.

The Straits Times, a Singapore newspaper, practically gloated over the fact that Hong Kong has not already collapsed in the years leading up to this week's return to Chinese rule.

"The British nation's surrogate mourners — the Western media, human rights lobbyists and crusading politicians in Washington and parts of the European Union — had intimated what they wished to see happen to Hong Kong in the run-up to July 1, 1997," the newspaper said in an editorial Tuesday.

"An exodus of talent, the stock and property sectors on their knees, civil unrest, hostile noises from Beijing."

But, the newspaper said, the Hong Kong stock market is at a record high, property prices are soaring, and emigres returning to a vibrant Hong Kong from "sleep-walking" places like Australia and Canada.

"And China will no doubt again thwart the ill-wish of its detractors in the months and years ahead," it said.

If there is concern in Asia about Hong Kong's future, it does not seem to be so much about whether the press will remain free but about whether Hong Kong and China will become a harder place to do business.

Optimists say they expect Hong Kong to remain a capitalist bastion and to influence China to adopt more economic reforms.

"People say that Hong Kong might be China-ized, but on the contrary, we expect that China will be Hong Kong-ized," said Takeshi Kondo, general manager of the office of political and economic research at Itochu Corporation, a huge Japanese trading company with numerous investments in Hong Kong and China.

Matsushita Electric Industrial Company, the Japanese consumer electronics giant known for its Panasonic brand, plans to expand its Hong Kong operations to help manage the more than two dozen factories it has built in China over the last decade, said Yukio Shotoku, a manager for China.

But many Japanese businessmen apparently believe that Chinese rule will make it more difficult to do business in Hong Kong, replacing the rule of law established by the British with China's more arbitrary decision-making.

In a poll of companies with Hong Kong operations conducted by the Nihon Keizai Shimbun, 31 percent of the Japanese companies thought Hong Kong's business environment would be worse in five years than it now.

Gregory Bull/The Associated Press

Mr. Cardinas campaigning for mayor at a rally of 100,000 people in Mexico City.

MEXICO: *Ruling-Party Fief Threatened*

Continued from Page 1

Never before has a sitting president of the PRI — which often has been accused of rigging elections to stay in power — faced the potential of dueling with such a high-profile opposition member in such a powerful elected office.

"This is going to change the architecture of Mexican politics because all of a sudden we're going to have a multiparty system," said Sergio Aguayo, who heads the Civic Alliance, a national good-government group.

A loss of the capital would continue the precipitous decline of the PRI, the party of the disgraced ex-president Carlos Salinas de Gortari, which has seen its power base crumble in recent years as opposition parties captured the state governor and mayor posts in almost every major city. Polls indicate that Mr. Cardenas's two main competitors, the ruling-party candidate Alfredo del Mazo and Carlos Castillo Peraza of the center-right National Action Party, are vying for a distant second.

Public-opinion surveys also indicate that the ruling party could lose its majority for the first time in the lower house of the Mexican Congress, the Federal Chamber of Deputies, where all 500 seats are being contested. Voters also will decide six state governorships and a quarter of the 128-seat Senate.

"I will vote for the PRD because it offers a real change, not only words and promises like the PRI," said Mercedes Flores, 48, a Mexico City housewife.

Andres Estevez, 51, a Mexico City taxi driver, said he would vote for the PRD because "in 1994, I voted for the PRI and I regret it after learning about all the corruption going on between Salinas, current President Ernesto Zedillo and the rest of the PRI big shots."

With most surveys in the last month giving Mr. Cardenas a 20 percent lead in the race for mayor, many political observers already are declaring him the favored opposition candidate in the next presidential election.

Jostling through crowded streets in his campaign caravan in the closing days of the race, Mr. Cardenas said: "The way is more or less open, but we have to see what happens in two more years. I'm not running for president now."

Mr. Cardenas already has run for president twice, first in 1988 against Mr. Salinas, an election Mr. Cardenas and many independent observers say was stolen from him by election fraud, and again in 1994 against Mr. Zedillo. Mr. Cardenas served as a PRI governor in his home state of Michoacan before abandoning his party membership in the late 1980s.

His father, Lazaro Cardenas, who served as president in the 1930s, is revered by many Mexicans as one of the country's greatest leaders, partly because he nationalized the country's oil industry.

His father's legacy and his party's stand opposing some of the government's privatization plans have prompted many of Mr. Cardenas's opponents to predict that international investors will shy away from Mexico if he wins.

STEWART: *Actor Is Dead at 89*

Continued from Page 1

award for lifetime achievement by the American Film Institute and in 1984, another honorary Oscar.

Mr. Stewart, known to Hollywood as Jimmy but the rest of the world as James, played in 80 films during his career, and was nominated four more times for Academy Awards.

One of Hollywood's biggest stars at the peak of his career, critics sometimes complained that he always played James Stewart, the small-town boy.

But behind his mannerisms lay years of hard training, perfecting what other actors, like Cary Grant, and directors, like John Ford and Alfred Hitchcock, called a formidable technique.

"He played himself, but he played the character," Mr. Ford said of Mr. Stewart. "He was good in anything."

A small-town boy from Pennsylvania who never lost his quiet courtesy, Stewart was earning $3,000 a week as a movie star in 1941 when he enlisted in the then-U.S. Army Air Corps as a private for $21 a month.

Stewart won the Distinguished Flying Cross, the Air Medal, the French Croix de Guerre and ended the war as a colonel. Always the reluctant hero, he refused all the publicity the military wanted to pour on him, insisting on being treated like any other serviceman.

At the age of 80, Stewart, his hearing almost gone and needing strong spectacles, waged a campaign against studios adding color to black and white films, including the Christmas season classic "It's A Wonderful Life."

The death of his wife, Gloria, in February 1994 hit Mr. Stewart hard.

He was born James Maitland Stewart of Scots-Irish descent, on May 20, 1908, in Indiana, Pennsylvania. "I sort of grew up in the hardware store," he once said. In 1949, Stewart, then one of Hollywood's most eligible bachelors, married Gloria McLean, who had two sons by a previous marriage. One, Ronald, was killed in the Vietnam War. Mr. Stewart always referred to him as "my son." Twin girls, Judy and Kelly, were born to the Stewarts on May 7, 1951.

Mr. Stewart He starred in such righteous tales as "The Man Who Shot Liberty Valance," "Destry Rides Again" and "The Flight of the Phoenix." He also played more troubled characters in films like Hitchcock's "Vertigo."

But he was best known for his role as a suicidal businessman who finds redemption in "It's a Wonderful Life," among the most-loved films in Hollywood history and his personal favorite.

In his most memorable roles, he played earnest, sometimes bashful heroes, slow to anger but with bottomless reserves of perseverance. He seemed the same in life, and the American public's affection for him endured.

BEEF: *Alleged British Exports Reopen Crisis*

Continued from Page 1

link between bovine spongiform encephalopathy, then widespread among the country's cattle, and the fatal human brain condition Creutzfeldt-Jakob disease.

European governments have pumped billions of dollars of aid to the beef industry since then, and ordered Britain to slaughter millions of cattle deemed at risk of developing the ailment, also known as mad cow disease.

Health and farm ministries across Europe reacted swiftly to the commission's announcement Wednesday, opening investigations into the allegations and ordering tougher inspections at ports and border crossings.

The commission, the executive agency of the 15-nation European Union, said EU inspectors had "confirmed suspicions" that British beef had been exported to EU and non-EU countries in violation of the ban in recent months.

The agency declined to comment on the scale of the exports, saying such information might endanger criminal investigations under way by national police and judicial investigators.

The Socialist group in the European Parliament claimed that 700 tons of British beef had been exported illegally. A group statement quoted EU sources as saying that the beef had been shipped to Belgium, given a Belgian label and then exported to Spain, France, Russia, Egypt and Bosnia.

French officials said authorities had begun an investigation in recent weeks after inspectors blocked a suspect shipment of beef. They said the inquiry concerned one company and "small quantities" of meat.

A French weekly, Le Canard Enchaine, reported Wednesday that the international police force Interpol had begun an inquiry into illegal exports of beef via Northern Ireland.

Whatever the scale of the exports, the actual health risk posed by Wednesday's announcement appeared minimal.

Since Britain announced the potential threat from BSE, there has been no sign of an outbreak of so-called new-variant Creutzfeldt-Jakob disease. The original 10 cases cited by the British government in March 1996 have grown to only 16 today.

The incidence of the disease in British cattle has declined sharply because of the slaughter and other preventive measures. Consumer confidence has revived so strongly within Britain lately that McDonald's announced last week it was resuming purchases of British beef for its restaurants, a move that was followed Tuesday by Burger King.

THAILAND: *Markets Cheer Devaluation*

Continued from Page 1

the near certainty of higher inflation, now estimated by the Bank of Thailand to reach 6 percent this year. In effect, the devaluation is one of the biggest shifts in Asian currency policy since Thailand last devalued its currency in 1984.

With the fastest-growing economy in the region, Thailand has been one of Asia's free-market success stories. In the past year, however, the Thai economy has fallen to its slowest growth in a decade, the trade deficit has soared and financial institutions have slid into crisis, saddled with bad loans to a collapsed property sector.

Around Southeast Asia — in rapidly growing countries like the Philippines, Malaysia and Indonesia — this has been seen as a "Thai model" of overbuilding and overextended property investments that must be avoided. (Page 17)

The currency move, two weeks after Thanong Bidaya was named finance minister, came as a surprise to the nation as well as investors. Just days before, speaking on national television, Prime Minister Chavalit Yongchaiyudh had dismissed any chance of devaluation.

"It's a catastrophe — bad for Asia, bad for Thailand," said David Goldman, president of SG Capital, a New York-based fund manager. "It's a tragedy because the Thai baht was the stablest currency in Asia and could have been an example for long-term currency stabilization and the development of markets which depend on it."

Wednesday's winners, in the short term at least, were exporters and foreign portfolio investors, who effectively bought shares at a 15 percent discount in what was already a depressed market. Remarkably, only 28 issues ended the day lower, with 357 closing higher than on Tuesday.

But for investors who had positions in the market before Wednesday's move, the bourse's surge did not make up for their net losses.

"You have to view the stock market's rise today as really a 7 to 8 percent fall in hard currency terms," Mr. Goldman said.

Michael Stead, head of research at Bangkok-based Union Securities, said the flotation was necessary to help jump-start Thailand's slumping economy, which has suffered from flagging export growth and a persistently high current account deficit.

"Businesses were being hollowed out under the peg system," Mr. Stead said. "Here was Thailand, in what was tantamount to a recession, having to maintain high interest rates. The flotation will give the Bank of Thailand flexibility in monetary policy."

Before Wednesday, the Bank of Thailand had maintained high interest rates in order to help prop up the baht.

Defending the baht had taken its toll on the central bank's foreign reserves, which hit a two-year low of $33.3 billion at the end of May from around $37.3 billion a month earlier.

Last month, reports in the local press quoted central bank sources as saying that the financier George Soros, among others, had taken short positions on the baht worth $4 billion.

If true, Wednesday's flotation would be another victory for the man who has made a career out of attacking weak currencies.

[In New York, Stanley Druckenmiller, chief investment officer for Mr. Soros's Soros Fund Management, applauded the Bank of Thailand's effort to beat back currency speculators before finally devaluing the baht, Bloomberg News reported.

["They did a masterful job squeezing us out," said Mr. Druckenmiller, who oversees the more than $17 billion in assets in Soros funds. "They kicked our butt and they've taken lots of profits away we might have had."

The Bank of Thailand confirmed Wednesday that speculative attacks and low confidence had contributed to its decision to float the baht, saying the old exchange-rate policy "continued to weaken in the wake of widespread speculation and criticisms."

EUROPE: *France and Germany Seek to Mend a Special Relationship*

Continued from Page 1

frustration of the moment by pointing to the vanished essence of the postwar French-German relationship — cooperation based on the counterbalancing effect of France's A-weapons and Germany's D-mark. The Cold War ended in 1989, and Germany no longer required France to serve as its chaperone. The current situation reflected Mr. Fabius's candid observation that the Deutsche mark had, in effect, trumped the the French nuclear arsenal.

But there were zones of caution. No one acknowledged how little the two cultures have woven together, with Mr. Holland only brushing against the subject by noting how surprised people were to learn that Dominique Strauss-Kahn, the French finance minister, spoke "more or less correct German."

French comfort with protectionism as opposed to Germany's more free-trading instincts, got a pass, and so did the almost institutionalized French anti-Americanism that the Germans, these days, find exhausting and almost irrational.

None of the speakers felt it necessary or tactful to point out that President Francois Mitterrand had initially attempted to brake German reunification, that France had lost its special lever in Germany with the end of four-power status in Berlin, and that French influence as a diplomatic player on a world scale, notably in Africa and the Middle East, had palpably diminished since 1989. Left alone too were the deterioration of Germany's status as an economic model, and the turning of its attention and passions from a successful search for respectability in the West to rebuilding and securing trade advantage in the former East Germany and Soviet bloc.

But the differences went beyond party lines and personalities, and into national inclination and consensus.

The Germans, left speechless by their partner's resumption of nuclear testing two years ago, were more profoundly unsettled by President Jacques Chirac's decision, without consultation, to stop conscription in France and to turn its army's mission into that of a kind of super rapid-intervention force. This left Chancellor Helmut Kohl alone to maintain universal military service at home, and Germany alone to continue with its strategy of territorial defense.

Now, the choice by the Socialist government of Prime Minister Lionel Jospin not to pursue reintegration of NATO's military command by French forces, reversing Mr. Chirac's earlier intentions, has given the Germans the impression of vast French incoherence. Mr. Voigt said: "We diverge here. The fact that France is back in the margins [of NATO] certainly doesn't raise its level of influence, and it definitely increases our dependence."

In the area of their economies, the French went hard at the Germans. When it was possible four and five years ago, and would have done much good for all of Europe, the Bundesbank stubbornly resisted any meaningful lowering of interest rates. These days, Germany is obsessed with the details of the European Monetary Union convergence criteria, Mr. Hollande suggested, and insufficiently concerned with reducing unemployment.

Regardless, Mr. Hollande promised that the Jospin government would try to resuscitate its idea of European-scale public works projects, although without national funding, at a special European summit on employment in the fall, and press ahead with its project of a politically based "economic government" to oversee the future European central bank.

It was the task of another Socialist, Ingomar Hauchler, the Social Democratic international economic spokesman in the Bundestag, to tell Mr. Hollande that Europe needed a stronger market economy more than public works. Mr. Lamers took on the "economic government," saying it was hardly a necessity, although he could go along with a forum for discussing macroeconomic policy if the content was not a problem — presumably to avoid interference with the bank's independence.

Still, when it came to talking about ways to recharge the relationship, the very awkward issue of how two now unequal elements could re-form what was an essentially equal partnership, or redistribute leading and subordinate roles, did not get any direct attention.

But the attempt at reinvigorating the relationship was regarded as worthwhile. Mr. Voight pointed out artfully that it was not at all unreasonable for France to want close ties to a neighbor with an uneven history, and that, even in the narrowest self-interest, it was not clear how Germany would do better by going it alone.

For practical suggestions, though, on how to refresh French-German fervor after all these years and so much deep change, the symposium did not provide a record harvest.

But the French and Germans continue to have a core of common interest for a new relationship. "The problem," Mr. Fabius said, "is finding the political will to advance."

BRITAIN: *Pro-Business Budget*

Continued from Page 1

the country because we have got fundamentally two parties now far more like the Democrats and the Republicans, instead of socialists and capitalists."

Coming on the heels of earlier measures, including giving the Bank of England the right to raise interest rates without consulting the government, Mr. Brown delivered tough remedies wrapped in velvet gloves.

"The central purpose of this budget is to ensure that Britain is equipped to rise to the challenge of the new and fast-changing global economy," Mr. Brown said, adding that the benefits from his policies should include "not just a few of us, but everyone."

The chancellor, the second most powerful political figure after Prime Minister Tony Blair, stressed that the government's main concern was to preserve the momentum created by the previous Conservative government's policies of austerity and limited spending.

While devastating the poor and the working class, which bore the brunt of downsizing and cuts in welfare, Britain has managed to achieve the lowest unemployment level in Europe, where average unemployment hovers between 10 percent and 16 percent and where growth has slowed in the past few years.

Britain, by contrast, has an unemployment level of around 6.5 percent and is expected this year to reach a growth rate of 4 percent of gross domestic product. Inflation stands at about 2.5 percent.

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Inspection of Old 747s Reveals Wiring Flaws

A New Theory Emerges in TWA Blast

By Don Phillips
Washington Post Service

WASHINGTON — A worldwide inspection of electrical wiring inside the wing fuel tanks of early-model Boeing 747s — like the one involved in the explosion a year ago of Trans World Airlines Flight 800 — turned up numerous problems that might have caused future explosions, according to Federal Aviation Administration officials.

The FAA officials said they believe the problem could have been a factor in the Flight 800 crash off Long Island, one of the country's worst aviation disasters, which killed 230 people.

But an official with the National Transportation Safety Board, which is in charge of the investigation, said this was only one of many possibilities.

Despite the intensive search for clues, investigators still do not know why the center fuel tank exploded and tore the airliner apart.

Some initial theories that a bomb or a missile might have brought down the plane have faded and a more attention is being given now to possible mechanical fault.

The inspections did reveal some chafed wires and numerous damaged protective conduits.

None of the wiring had burned through protective aluminum covering to expose the wires to explosive fuel vapors.

The wires lead to fuel pumps inside the wing tanks — but not to ones inside the center fuel tank that exploded on Flight 800 — and the highly shielded wires are the only 110-volt electrical source allowed inside a tank.

Thomas McSweeny, the FAA director of aircraft certification, said the wiring replacement since January has given time to seek a solution to the chafing.

The extent of the problem appeared to surprise officials. It was first discovered 17 years ago, and Boeing and the FAA thought they had found a permanent solution by wrapping the wire bundles in two layers of Teflon before putting them in the conduits.

In December, as a precaution, the FAA reviewed all earlier Boeing 747 problems and decided to order another inspection of the wiring. It was this inspection that turned up the chafing.

Officials said the wiring problems offered support for a theory developed by the FAA as to what might have caused the explosion in the center fuel tank of Flight 800.

The airliner broke apart in flames on July 17 shortly after taking off from John F. Kennedy International Airport for Paris.

Investigators have been mystified as to what could have caused the vapor in the nearly empty center tank to explode.

Unlike the wing tanks involved in the FAA inspection, the center tank has no 110-volt electrical lines.

A theory, developed by the FAA's Northwest Region in Seattle, involves an unlikely chain of events in which an electrical problem causes a fire to burn outward from a wing tank to the wing tip through a vent tube designed to allow vapors to escape from the tank.

At the wing tip, according to this theory, the flame then reverses direction and travels back down another vent tube into the center tank.

The National Transportation Safety Board, conducting the TWA 800 investigation, played down the theory.

But Guy Gardner, an FAA associate administrator for regulation and certification, said, "This is the only possible ignition source we can think of, for now, that has the energy to ignite the fuel and then get it into that center tank."

Under FAA calculations, a hole in the wiring protection could have been under fuel while the plane was at a steep angle, climbing from the airport.

But after the airliner leveled out from its climb at 13,000 feet, the hole might have become exposed to fumes as the small amount of fuel in the tank spread out over the full area.

At that point, the inboard wing tank — one of seven tanks on the big plane — was feeding fuel to three of the four engines, drawing air from venting tubes. Because of the altitude change, fumes were exiting the center tank through another tube. In this theory, at the wing tip, where the venting tubes converge to spew out the fumes, a circular air flow was created.

A "flame front" started by an electrical arc could then have traveled against the flow of the volatile vapor from the wing tank to the center tank in about 25 seconds, according to calculations. That, the experts say, is about the length of time from the point of level flight to the explosion.

The FAA acknowledged that 40 percent of the TWA 800 wire conduits have been found in the underwater search and showed no chafing.

Chris O'Meara/The Associated Press

IN ORBIT — Susan Still, pilot, and Don Thomas, mission specialist, heading for the Columbia shuttle, which took off Tuesday to finish work truncated in a previous flight.

U.S.-North Korea Talks To Cover Broader Range

The Associated Press

NEW YORK — Two days after taking steps toward formally ending the Korean War, the United States and North Korea were expanding their talks to areas of missile proliferation, food aid and missing U.S. servicemen.

One-on-one discussions Wednesday at the U.S. mission to the United Nations were also expected to include the exchange of liaison offices.

On Monday, diplomats from both Koreas and the United States announced they would meet, along with China, for talks Aug. 5 to prepare for negotiations aimed at formally ending the 1950-53 war.

In Beijing, a Foreign Ministry spokesman, Tang Guoqiang, said Wednesday that China welcomed playing a role in crafting a peace treaty for the Korean Peninsula.

"The idea of maintaining peace and stability on the peninsula has always guided China's handling of matters relating to it," the official Xinhua news agency quoted Mr. Tang as saying.

Wednesday's talks between the United States and North Korea aimed to encompass a broader range of issues than could be addressed in the three-way talks, a State Department spokesman, John Dinger, said in Washington.

The acting ssistant secretary of state, Charles Kartman, was to head the U.S. delegation. Vice Foreign Minister Kim Gye Gwan of North Korea was to lead his country's team. The two also led talks between the two nations in New York in March.

The United States is concerned about North Korean arms sales and its weapon program, while Pyongyang desperately needs international food aid.

Arab-Israeli Clashes Resume

Cabinet Haggling Prevents Government Reshuffle

By Serge Schmemann
New York Times Service

JERUSALEM — Violent clashes erupted anew in Hebron and in the Gaza Strip on Wednesday while Foreign Minister David Levy continued haggling with Prime Minister Benjamin Netanyahu over staying in the government.

The most serious incident occurred in the Gaza Strip, where Israeli soldiers shot and killed a 16-year-old Palestinian. The shooting happened after Jewish settlers from the Gush Qatif settlement bloc began bulldozing land that Palestinians claimed was theirs, and Arab youths began throwing stones.

Witnesses said soldiers fired in the air to disperse them, then fired into the protesters, killing the youth and wounding six others.

In Hebron, Palestinians came out once again to bombard Israeli soldiers with stones and firebombs, and the Israelis responded with live ammunition, wounding at least two dozen youths.

The clashes accompanied a general strike called to protest anti-Muslim posters spread by an Israeli woman last weekend depicting the Prophet Mohammed as a pig. The woman has been under Israeli arrest since last Saturday, and both Mr. Netanyahu and President Ezer Weizman made public apologies.

The United States consul-general in Jerusalem, Edward Abington, visited the battle ground in a market area of Hebron with the chief of Palestinian Preventive Security, Jibril Rajoub. Asked whether the United States, which has largely ignored the Israeli-Palestinian confrontation for the last three months, should intervene, Mr. Abington replied, "First and foremost, it is the responsibility of Israel and the Palestinians to stop the violence and casualties."

Mr. Rajoub, whose forces have generally stayed clear of the confrontation line in Hebron, said, "We are not responsible for protecting Netanyahu's policies against our Palestinian people."

American officials have said they view the Hebron clashes, which have been largely confined to a narrow street in the center of town, as a safety valve to let off the frustration and anger simmering in the West Bank over the absence of progress in Israeli-Palestinian negotiations, and the continuing work on Jewish settlements.

But officials also fear that the clashes could escalate, especially if there are more incidents like Tuesday's, when two Israeli soldiers were wounded, one seriously, by a homemade pipe bomb. The Israeli commander in Hebron has warned that he will not allow the situation to continue in this way.

Mr. Netanyahu, meanwhile, remained locked in a dispute with Mr. Levy, preventing the prime minister from concluding a government reshuffle.

The issue centers on Mr. Levy's opposition to including Ariel Sharon, a veteran hawk in the cabinet, on the small team charged with planning strategy toward the Palestinians.

The dispute has prevented Mr. Netanyahu from appointing Mr. Sharon, currently minister for national infrastructures, as finance minister, and that, in turn, has blocked a chain of other appointments.

The continuing squabble has drawn increasing fire from the opposition and in editorials.

"A war is being waged in Hebron, and they're bickering," said Uzi Baram, a member of Parliament from the opposition Labor Party. "It's a mockery."

Cambodian Factions Battle As Political Feud Escalates

Washington Post Service

PHNOM PENH — Military units loyal to Cambodia's rival co-prime ministers clashed Wednesday north of the capital, raising fears that the running feud between the two government coalition partners may be dragging the country into further instability.

The two sides exchanged fire with assault rifles, mortars and rocket-propelled grenades at a naval base about 20 miles (32 kilometers) northwest of Phnom Penh, Cambodian officials said.

There were conflicting accounts of what sparked the fighting, but diplomatic sources said it appeared to be connected to increased tension lately over efforts by the first prime minister, Prince Norodom Ranariddh, to strike a deal with remaining members of the Khmer Rouge guerrilla group. Prince Ranariddh has been trying to persuade the guerrillas to turn over the former dictator Pol Pot, junk their "provisional government" in the jungles of northern Cambodia and recognize the Cambodian government and constitution.

Suspecting that Prince Ranariddh's royalist Funcinpec party has been bringing Khmer Rouge guerrillas into units it controls in the Cambodian army, the rival Cambodian People's Party of Second Prime Minister Hun Sen has threatened to counter any such moves with force.

Troop movements and preparations for attacks have been reported in and around Phnom Penh, which has remained uneasy since a June 17 clash in which two of Prince Ranariddh's bodyguards were killed.

It was not clear how many troops were involved in Wednesday's fighting, which was reported to have subsided by nightfall. Officials said the clash broke out at the Preak Taten naval base on the Mekong River, which houses troops loyal to Prince Ranariddh's party.

" WINTERTHUR " FUND MANAGEMENT COMPANY (LUXEMBOURG)

Société Anonyme
5, rue Jean Monnet, Luxembourg
R.C. Luxembourg B 35 123

Amendments to the Management Regulations of
WinGlobal Fund

In connection with the transfer of the Central Administration of WinGlobal Fund to Credits Fund Service (Luxembourg) S.A. and of the Custodian to Crédit Suisse (Luxembourg) S.A., the Management Company "WINTERTHUR" FUND MANAGEMENT COMPANY (LUXEMBOURG) S.A., with the agreement of the Depository Bank, has decided the following amendments to the Management Regulations of the above-mentioned Fund:

The registered office of the Management Company has been transferred from 14, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg to 5, rue Jean Monnet, L-2180 Luxembourg.

Crédit Suisse (Luxembourg) S.A., 56, Grand-Rue L-1660 Luxembourg has been entrusted with the duties of Depository Bank

In article 2, the last paragraph reads as follows:

"The Management Company shall be entitled to a maximum management fee of 0.5% per annum for each portfolio, on the basis of the average daily net asset value of the relevant month and payable at the beginning of each following month."

In article 3 "The Depository Bank", "VP Bank (Luxembourg) S.A." is replaced by "Crédit Suisse (Luxembourg) S.A."

Furthermore, the 9th indent of the 7th paragraph reads as follows:

"accept against payment of the purchase price, out of a portfolio's accounts and deposits securities, subscription rights and other assets permitted by law, which have been bought for the portfolio, and deliver such assets which have been sold for the portfolio, provided that the Depository Bank or another institution it has selected, receive the payment for them;"

In article 4, the Investment Policy reads now as follows:

"The *International Equity Portfolio* and the *International Diversified Portfolio* primarily invest in shares, share certificates, convertible bonds, bonds with warrants, and warrants as well as in other securities provided for by these Management Regulations.

The *International Bond Portfolio* will primarily invest in bonds, convertible bonds, bonds with warrants and other transferable fixed income securities (including zero-bonds) and floating rate notes. Shares, other shares in the capital, and dividend-right certificates, which are purchased by exercising conversion rights, subscription rights or options, must be sold within twelve months after their purchase. If ex-bonds are sold separately, the remaining warrants as well as any certificates which were purchased later by means of these warrants must be sold within one year after the selling of the ex-bonds.

The portfolios invest in transferable securities denominated in any currency or in ECU. For the purpose of efficient portfolio management, they may avail themselves of techniques and instruments used for securities investment. The assets of the portfolios shall as a rule be invested in the securities specified in the investment objectives, taking account of the following investment restrictions. Each portfolio shall pursue an independent investment policy.

As the assets of each portfolio are subject to normal price fluctuations, no guarantee can be given that the portfolio in question will reach its investment goal.

Liquid assets may be held for the portfolios in the currencies in which investments are made or the redemption price is paid out. These may be kept as sight and fixed-term deposits at banks and are ancillary assets.

Subject to the investment restrictions set out below, the Fund may engage in securities lending."

Paragraphs c) and d) of section 1 of the Investment Restrictions read as follows:

c) transferable securities admitted to official listing on a stock exchange in a state not a member of the EU, which operates regularly and is recognised and open to the public. The non-EU member states are all the other countries of Europe, Asia, Oceania, America and Africa;

d) new issues of transferable securities, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market of one of the above-mentioned countries, which operates regularly and is recognised and open to the public;
- such admission is secured within one year of issue.

Paragraphs a), b), e), f), k), t), x) of section 2 of the Investment Restrictions read as follows:

a) invest up to 10% of its net assets in transferable securities other than those referred to in section 1) with the exception of the money market instruments referred to in section 2., paragraph e);

b) invest up to 10% of its net assets in vested rights which have the same characteristics as transferable securities (esp. with regard to their transferability, saleability and periodic revaluation) and which have a remaining term to maturity that exceeds 12 months.

e) the portfolios may also hold liquid assets and fixed-term deposits in different currencies. Up to 49% of the value of the net assets of each portfolio may be held in bank deposits, money market instruments and short-terms paper (such as Treasury bills) of countries which are members of the OECD.
The above-mentioned instruments may not have a remaining term to maturity of more than 12 months at the time they are purchased by the Fund.

f) each portfolio may invest no more than 10% of its net assets in securities issued by the same body;

k) each portfolio may invest up to 5% of its net assets in units of open-ended undertakings for collective investment in transferable securities (UCITS). Units of other collective investment bodies may be acquired only if:

i) this undertaking is a collective investment body within the meaning of Art. 1, Paragraph 2, Subparas 1 and 2 of the Investment Directive of the European Union of 20 December 1985 (85/611/EC).

ii) the collective investment body follows an investment policy corresponding to that of the portfolio. Investments in units of an investment fund or investment company managed by a Management Company or other company to which the fund is linked by common management or control, or by significant direct or indirect participation shall only be permitted (1) in the case of an investment fund or investment company specialised in a certain geographic or economic sector, and (2) provided the fund incurs no fees or costs due to said transactions.

l) However, the Fund may lend securities from its assets in accordance with the terms and procedures set down by CEDEL and EUROCLEAR as well as by first-class financial institutions specialised in this type of transaction. Such operations may not be for longer than thirty days, except if these contracts can be cancelled at all times and the securities lent can be restituted. Furthermore, the Fund must in principle receive a guarantee, the value of which at the start of the agreement must be at least equal to the global valuation of the securities lent. This guarantee must be given in the form of a bank guarantee of a first-class financial institution or of liquid assets and/or securities issued or guaranteed by an OECD member state or its local authorities, by supranational institutions or by organisations at the community, regional or international level, and the assets or securities must be blocked to the name of the fund until expiry of the loan agreement.

x) in accordance with the investment restrictions set down in this paragraph, the Management Company may acquire and sell call- and put-options on securities, stock market indices, futures and other financial instruments on behalf of a portfolio, if these options are traded on a stock exchange or on another regulated market. Moreover, options as described below which are not traded on a stock exchange or an another regulated market (over-the-counter, OTC options) may be sold and purchased on behalf of a portfolio, if its counterparties are first-class financial institutions, specialised in this type of transaction.

i) the total premium paid for the acquisition of the options mentioned under x) may not exceed 15% of the total net assets of the respective portfolio

ii) call-options on securities may be sold on behalf of a portfolio, as far as the sum of the exercise prices of these options does not exceed 25% or the net asset value of the relevant portfolio at the time of the purchase. This investment restriction is not applicable if the call options sold are covered by securities or hedged by other instruments.
Furthermore, when uncovered call-options are sold, the relevant portfolio must at all times be able to cover the positions taken on these sales.

iii) when the Management Company sells a put-option on behalf of a portfolio, the equivalent of the positions taken must be covered, for the total duration of the contract, by the liquid assets of the relevant portfolio sufficient to pay for the securities deliverable to it on the exercise of the option by the counterparty.

In paragraphs h) and j) "another OECD Member State" is replaced by "a state which is not a member of the EU"

In paragraph w), the words "in principle" are added

In the first sentence of article 5, the words "after payment of the issue price to the Depository Bank" are deleted.

The following paragraph is added:

Issuing of units is submitted to the current law relating to the measures to combat money laundering and prevention of the use of the financial sector for the purposes of money laundering (Lux circular 94/112 and Directive of the European Union 91/308/EC).

The last paragraph reads as follows:

"Payments which have been made in connection with subscription applications which could not be executed will immediately be refunded by the Depository Bank without entitlement to income resulting from whatsoever performance linked to the investment."

The three first paragraphs of article 6 read as follows:

"The issue price is based on the net asset value per unit for each class and each category of unit as calculated on the day after the purchase application is submitted (Valuation Day) plus an agency commission not exceeding 5% of the net asset value per unit, provided such application is received by the Management Company before 3:00 p.m. Luxembourg time and payment is made to the Depository Bank within three business days after the relevant Valuation Day.

In case the applications are not received by the Management Company by 3:00 p.m., units will be offered at an issue price based on the net asset value per unit as determined two Valuation Days later. A maximum commission of 5% of the net asset value per unit may be charged by the selling agent. In so far as in a jurisdiction where units are sold, issue or sales taxes become payable to the respective tax administration, the subscription price will increase by that amount.

Payment for the subscription price is accepted in the reference currency of the respective portfolio. If subscription proceeds are received in a currency other than the one in which the respective portfolio is denominated, the investor shall bear the costs related to the conversion."

The fourth sentence and the fourth paragraph of article 7 are amended as follows:

"The investor receives a confirmation letter of the registration."

"Units will be registered or credited to a securities account as determined by the investor immediately upon receipt of payment of the subscription price. Any investor who entrusts units to the safekeeping of a collective depository shall receive a credit advice for these units via the depository designated by him. As a rule, no unit certificates will be issued. Crediting will be effected through a collective depository recognised by the Management Company and the Custodian Bank. The fund units are eligible for clearing through the Euroclear System (operated by the Brussels branch office of the Morgan Guaranty Trust Company of New York) and the Cedel System. Should an investor request unit certificates, these will, in principle, be issued at the counters of the selling agents or their branch offices in denominations of 1, 10, 100 and 1,000 within five days of payment of the purchase price. The costs of printing unit certificates may be charged to any unitholder requesting physical delivery."

In article 8, subparas 1) 2) and 3) under "The value of the assets of each portfolio is determined as follows" are amended as subparas 1) to 7) as follows:

1) Securities which are listed on a stock exchange of which are regularly traded on such shall be valued at the last known purchase price. If such a price is not available for a particular exchange session, but a closing mid-price (the mean of the listed closing bid and ask prices) or a closing bid price is available, then the closing mid-price, or alternatively the closing bid price, may be taken as a basis for the valuation.
If a security is traded on several stock exchanges, the price on the stock exchange on which it is primarily traded shall apply. In the case of securities for which trading on a stock exchange is not significant but which are bought and sold and a secondary market with regulated trading among securities dealers (with the effect that the price is set on a market basis), the Management Company may decide to base the valuation on this secondary market.
2) Securities traded on a regulated market shall be valued in the same way as securities listed on a stock exchange;
3) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price; if no such price is available, the Management Company will value these securities in accordance with other criteria it shall establish on the basis of the selling prices that can probably be achieved.
4) Fiduciary investments and fixed-term deposits shall be valued at their nominal value plus accrued interest.
5) The valuation price of a money market instrument shall be progressively adjusted to the redemption price, based on the net acquisition price and keeping the resultant investment yield constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.
6) The portion of the net assets of a portfolio composed of securities with a remaining term to maturity of less than six months may be valued by progressively adjusting the valuation price of an investment - based on its net purchase price or its price at the moment when is remaining term to maturity fell below six months - to the redemption price, keeping the resultant yield constant. In the event of a significant change in market conditions, the basis for the valuation of the different investments shall be brought into line with the new market yields.
7) The amounts resulting from such valuations shall be converted into the reference currency of each portfolio at the prevailing mid-rate. Foreign exchange transactions made for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

The sentence "the costs related into a distribution shall be borne by the relevant portfolio" is added at the end of subpara 1) under "The percentage of the total net asset value to be allocated to each category of units of each class shall be adjusted subsequently in connection with the distributions effected and the issue and redemption of units as follows."

In article 10, the first paragraph and the first two sentences of the third paragraph are amended as follows:

"Unitholders may request the redemption of their units on any Valuation Day. The redemption price for each class of units is the net asset value per unit established on the day after the redemption application is submitted provided the redemption applications are received before 3:00 p.m. Luxembourg time. For redemption applications received after 3:00 p.m., the redemption price for that class of units is the net asset value per unit as determined two Valuation Days later.

The Management Company must ensure sufficient liquidity in the Fund's assets so that upon receipt of the redemption application, payment for the redemption of units can, under normal conditions, be effected within three business days after receipt of the redemption application. The Depository Bank is obliged to make payments within three business days after receipt of the redemption application, unless there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Depository Bank's control which make it impossible to transfer the redemption value to the country where the redemption was requested."

In article 11, paragraphs 1, and 2, read as follows:

1. The Management Company may charge a maximum fee of 0.5% per annum for each portfolio, based on the average daily net asset value during the relevant month and payable at the beginning of the following month.
2. Moreover, each portfolio shall bear the costs specified below:
   a) the central administration of the Fund (including the costs incurred for insuring that the investment policy and restrictions are complied with, the transaction fees, the processing of subscription and redemption requests and the costs for preparing the annual and semi-annual reports etc.)
   b) book-keeping and calculating the daily net asset value.
   c) the Depository Bank fee (for liabilities and controlling activities of the Depository Bank, for the administration and the safekeeping of securities including costs for external deposits entrusted to a normal sub-depository as Cedel, Euroclear, Intersettle, etc.)

The last sentence of paragraph 5, is deleted.

The last section of article 11 reads as follows:

"When the Fund incurs any of the above-mentioned expenses which relate to any particular portfolio, or to a particular category of a portfolio, or to any action taken in connection with a particular portfolio, or one of its categories, such expense shall be allocated to the relevant portfolio or to its relevant category. All liabilities attributable to any portfolio or to one of its categories shall be binding on, and may be claimed from, the Fund as a whole. All recurring fees are directly charged to the Fund's assets. Other expenses may be amortised over a period of five years."

In article 19, the second and the third paragraph, as well as the first sentence of the fourth paragraph read as follows:

(Conversion applications must be received by 3:00 p.m. (Luxembourg time) on a Valuation Day."

"Conversion will take place using the net asset value per unit of the respective portfolios established on the next Valuation Day together with the last known exchange middle rate, if applicable."

"For conversion applications received after 3:00 p.m., the net asset value per unit as determined two Valuation Days later will be used."

The amendments will be bringing 5 days their publication in the Mémorial.

Luxembourg, 30th May, 1997

WINTERTHUR FUND MANAGEMENT COMPANY (LUXEMBOURG) S.A.

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Herald INTERNATIONAL Tribune
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Reinventing Albania

Their country is devastated by riots. Large areas are controlled by bands of marauders. In much of the land there is no state to speak of.

Yet Albanians managed to choose a new government on Sunday in elections marked by high turnout and very little violence. International observers could not call the elections free or fair, but even "adequate" elections are an achievement.

Now, however, the real work of reinventing Albania begins.

The results are incomplete and there will be runoffs on Sunday, but voters have clearly rejected President Sali Berisha and his inaptly named Democratic Party. Albanians suffered five years of Mr. Berisha's increasingly authoritarian rule. His demise was due to the collapse of pyramid schemes his government had tolerated, some of which continue today.

The elections could happen only because of a multinational force led by Italy, which escorted international monitors and gave Albanians the confidence their vote would be respected.

Albania's new government will be formed by Fatos Nano of the Socialist Party, who took advantage of the country's chaos to escape from prison, where he was serving time for alleged embezzlement. Many believed the charges against him were invented by Mr. Berisha's government.

That Mr. Nano was likely a victim of one authoritarian government does not guarantee that Albania will not find itself with another under his rule. Albania's grotesquely harsh communism was not a fertile environment for growing democrats.

There are people committed to democracy in Mr. Nano's party and its smaller coalition partners, but he may not be among them. He has run the socialists with an iron hand, and many fear that he, like Mr. Berisha, will put his political interests ahead of those of Albania.

For Albania to have a chance at normalcy, Mr. Berisha must follow his concession of his party's defeat by quickly resigning the presidency to lead a constructive opposition. His resignation would encourage Mr. Nano to be conciliatory as well. Albania desperately needs its politicians to treat the opposition as adversaries, not traitors.

Mr. Nano is now faced with building a new country. He must first disarm the militias and restore security. That may require European troops to stay longer than their planned withdrawal date of mid-August.

The West should also learn its lesson from Albania. The United States and Europe backed Mr. Berisha long after his dictatorial governance became a problem. Mr. Nano will be dependent on foreign aid and loans.

They should be conditioned on policies that establish democratic institutions and practices.

—THE NEW YORK TIMES.

Out to Get Them

A new way has been found around the reluctance of the local governments and the NATO-led international peacekeeping force in Bosnia to arrest war crimes suspects. Investigators of the war crimes tribunal at The Hague, plus forces of a UN transitional administration in the Serb-held Croatian region of Eastern Slavonia, picked up Slavko Dokmanovic. The former mayor of Vukovar had been secretly accused, along with three Yugoslav Army officers publicly accused, of removing 260 mostly Croatian civilians who had taken refuge in a Vukovar hospital in 1991 and murdering them. It was the first arrest carried out on the territory of a former warring Balkan state without its knowledge or cooperation.

There were, of course, special circumstances in this case. One was the secrecy allowed by the existence of an until-now unpublicized category of "nonpublic" indictments. Another was the presence of the suspect in an odd geographic corner not covered directly by the NATO-led "stabilization force." With the potential for surprise now diminished and with most suspects living in more protected locations, it is hard to say what the next move will be.

The Dokmanovic arrest shows, however, that there is still some space for bold initiatives. The chief war crimes prosecutor, the Canadian Louise Arbour, said that her investigators would no longer announce their targets. Her action freshens the obligation of the local governments and the international peacekeepers to go after the 67 of the 76 known suspects who are still at large. It is an abiding stain that those governments and peace forces shrink from making good on the commitment they all undertook in the Dayton peace accords. A fear of taking casualties accounts for part of it, but there is also a stultifying lack of energy, courage and imagination, a feeling that active pursuit would simply not be worth it.

This is weakness, and it is at its worst in the case of Radovan Karadzic, the Bosnian Serb leader who, although indicted, still runs the local government he ostensibly withdrew from last year. Governments such as his that shield accused war criminals should continually be reminded that they will be regarded as pariahs and denied the comforts of international company until they present these men for trial.

—THE WASHINGTON POST.

Help for the Rich

The chairman of the Republican National Committee, Jim Nicholson, accused President Bill Clinton this week of defending his new tax plan by "resorting to liberal, old-guard class warfare rhetoric." The truth is that Mr. Clinton soft-pedaled his criticism when the Republicans deserved to be blasted for their enrich-the-rich tax cut plans.

Mr. Clinton proposed a tax plan of his own that is far better than the plans passed by the Republican-dominated House and Senate. But his criticism of the Republican plans was cast so mildly that there is a danger he will be forced to retreat significantly in further bargaining.

Even when Mr. Clinton identified the Republicans' most vulnerable spot, pointing out that their bills "direct far too little relief to the middle class," he let it go at that and failed to denounce the magnitude of the inequity. The House and Senate bills would direct about 65 percent of their tax cuts to the richest 20 percent of American families. By contrast, a paltry 13 percent of the tax cuts would reach the bottom 60 percent of families.

The Republicans say their plans direct three-fourths of the benefits to families earning less than $75,000. But those reassuring numbers come from flagrantly misleading tables prepared by a highly partisan congressional staff. At a time when private incomes of the richest Americans are soaring out of sight of ordinary workers, they hardly need the additional advantage of a skewed tax cut. This is precisely the sort of inequity on which the president should be defending middle- and low-income Americans.

Mr. Clinton's alternative plan makes substantial improvements over the congressional bills. He would make a $500 child credit available to many families too poor to owe federal income taxes but which pay Social Security payroll taxes, reduce the tax cut on capital gains for upper-income families, preserve the existing estate tax and eliminate a hugely expensive tax-subsidized retirement account for upper-income families.

Yet the president's plan is nothing to brag about. About a third of its tax cuts go to the richest 20 percent of families, while a much larger group, the bottom 60 percent of families, also get a third of the cuts. That is embarrassingly unfair, even if a huge improvement over the congressional plans.

What Mr. Clinton needs is a strategy to ensure that his plan largely prevails, and his weak opening salvo will not ensure that. To win the battle, Mr. Clinton needs to hold firm and threaten to embarrass the Republicans if they fail to back down.

He does not have a hard sell. Polls show that about 52 percent of voters believe that the Republicans are out to protect the rich. For the other 48 percent, Mr. Clinton can hammer the Republicans for taking the side of America's wealthiest families and dare Congress to pass a bill more tilted than his own. If such is deemed class-warfare rhetoric, then the country and the budget debate need a healthy dose of it.

—THE NEW YORK TIMES.

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When It Comes to Dictators, the U.S. Never Learns

By Jim Hoagland

WASHINGTON — What is the dumbest single thing the U.S. government ever did in building up Saddam Hussein as a regional "moderate" and then letting him survive the Gulf War and its long aftermath to slaughter another day? Hard to choose, I always thought. Too many contenders, I always said.

But one decision does dwarf the other bits of official chicanery and shortsightedness perpetrated by three presidencies in treating the Iraqi dictator as an ally (Reagan, Bush) or as a tolerable evil (Clinton). It came to light in an illuminating report aired by ABC Television on June 26 detailing a decade of flawed and ineffective U.S. policy toward Iraq.

The grand boner was a ban on U.S. officials having any contact with Mr. Saddam's political opponents. Begun in 1988 in the Reagan administration, the ban was continued by President George Bush — even after Mr. Saddam had turned from putative friend to declared enemy. Through bureaucratic inertia and spinelessness, it was continued through the Gulf War and into the 1991 Iraqi uprising that with U.S. help stood a good chance of toppling Mr. Saddam.

The ban blinded the United States at crucial moments and gained Washington nothing but Mr. Saddam's spurious goodwill. It denied U.S. help — even moral support — to people who enunciated the same principles and democratic aspirations that American governments say they support at home and abroad.

Just as it had a decade earlier with the shah of Iran, the United States agreed to restrict its information, its aspirations and its commitment to democracy for the sake of a dictator's sensibilities and his pretense of cooperating with U.S. short-term goals.

Don't they ever learn? In Washington, the answer seems to be no.

They never learn. They go back to a mind-set of accommodation and short-term realpolitik that often brings disaster. That's why ABC's revelation is not ancient history but news.

You can be sure that somewhere in the Clinton administration today someone is arguing that Saudi Arabia is too important and too sensitive for U.S. officials to be in touch with the regime's domestic opponents.

Change the regional bureau and you will get China, or Indonesia, as the country where no effective U.S. support or even a sympathetic presidential ear can be extended to dissidents. As a result, the United States knows far less than it should about developments in those countries.

That point comes through clearly in the smart ABC special produced by Mark Atkinson, who invested nine months of investigative reporting in this important project.

Mr. Atkinson started out on the trail of the CIA's unsuccessful effort to overthrow Mr. Saddam — the agency's most expensive and disastrous failure since the Bay of Pigs. ABC's tough-minded focus on the covert operation caused ex-Director John Deutch and others at the agency to sweat out its revelations about their miscues and misjudgments as broadcast time neared.

But Mr. Atkinson also broadened the focus of his reporting to take in the political responsibility of three successive White Houses for a broader policy failure, one that has left the United States stalemated in the Gulf today.

The bet by Presidents Reagan and Bush that Mr. Saddam could be used as a regional bulwark against Iranian expansionism in the mid-1980s was not an unreasonable one, although it should have been considered untenable by 1987, when Mr. Saddam launched a campaign of genocide against the Kurds of northern Iraq and made clear his intentions to pursue a nuclear capability to use against Israel.

But what justification can there be for the decision, taken under pressure from Mr. Saddam's foreign minister, Tariq Aziz, to shut off contact with Iraqi citizens who opposed the regime? That is a self-defeating act, not a reasonable alternative.

"In retrospect, that is one of the things I regret," says Richard Haass, Mr. Bush's top Middle East expert at the White House. "We would have been better informed, and probably had greater influence, if we had not stayed with the policy that we inherited."

What are the chances they will learn? That policymakers will not replay the diplomatic version of blindman's bluff again? Not good, particularly since the ABC program provoked little visible reaction in the Clinton White House (which refused to put anyone on camera to defend its behavior in Iraq) or the national press. A brief review in The New York Times missed the program's essential points, and The Washington Post did not even review it.

Mr. Saddam predicted on the eve of his invasion of Kuwait that Americans would not have the courage to oppose him. He was wrong about that. But America's attention span is another matter.

The Washington Post.

Like Arms Control, Global Warming Demands Global Action

By Paul H. Nitze

WASHINGTON — A string of new studies indicates that we are witnessing the early signs of something potentially catastrophic: The Earth's temperature is rising. Glaciers are melting, the incidence of extremely heavy rainstorms has increased by 20 percent in North America this century and spring has been arriving a week earlier in the Northern Hemisphere. The cause appears to be the emissions from the fossil fuels we burn to heat our homes, run our cars, power our industries and cultivate our farms.

The Earth's climate has remained stable for the past 10,000 years, but global warming threatens the stability that fostered the development of modern civilization. Rapid warming could render whole forests more vulnerable to the ravages of disease, pests and fires, destroying watersheds. Rising sea levels, flooding, drinking-water shortages and the northward spread of tropical diseases could displace millions of people. The economic and human costs may devastate continents, creating a crisis larger, and possibly more enduring, than any in recorded history.

The question is no longer "Is our climate changing?" but "What can we do about it?" The cause and consequences of climate change are global and require a global response. The stakes are high, not only for those in harm's way of the physical effects of warming, but also for those who have staked their economic well-being on fossil fuels. To stabilize the world's climate will require reducing greenhouse gases by half during the next century, and countries must begin cutting emissions soon if adaptations are to be made without disruption. But the challenge — and required changes — are of such scope and magnitude that courageous multilateral steps, beyond what has been accomplished even in our landmark arms control agreements, are necessary.

Such bold steps also are essential if we are to address the looming threat to geopolitical stability posed by climate change. Just as arms control treaties sought to limit and reduce the nuclear arsenals of the superpowers, creating an environment of cooperation that encouraged the peaceful transition of Eastern Europe and the Soviet Union, world leaders must create similar durable international structures for limiting and reducing greenhouse pollutants while providing for an orderly transition to the use of the energy sources of the future.

Our best prospect for such an agreement is an international greenhouse gas emissions budget system. Nations would adopt internationally binding caps or budgets on pollution. Those that reduce emissions could earn emissions savings to bank for future use — or to sell to others to meet their budget requirements. Over the long run, the innovative, technology-rich U.S. economy could benefit, with U.S. industry competing on an equal footing to offer pollution controls in world markets.

What would it take to create such a structure? To begin with, the United States must lead the way. If we Americans promote the concept internationally, others will follow. Four key elements would make an agreement successful. First, any agreement must encourage maximum participation, permitting all nations to earn or use tradable emissions credits at some level, whether by using energy more efficiently, switching to less environmentally damaging fuels or planting and preserving forests that absorb pollution.

Second, to encourage developing countries to participate as soon as possible, industrialized countries — especially the United States — should speedily set an example by adopting these budgets. Industrialized countries also should find ways to make it easy for others to join in. One interim method would be for industrialized countries to provide incentives (such as credits) for their own companies to work with the industries in developing countries to reduce emissions.

The economic and human costs may devastate continents.

Third, the agreement will need tools to enforce compliance. International — and domestic — support for a budget system will fade if it permits some countries to evade responsibility or imposes unacceptable disciplines on others. A treaty should include a range of realistic options for deterring emissions profligacy. Violations could be identified by international inspectors along the lines of the UN's International Atomic Energy Agency. Similarly, in response, economic measures such as sanctions or embargoes might be emplaced through the UN Security Council.

Finally, President Bill Clinton should demonstrate his personal commitment to this effort. Just as he took the lead in furthering the Chemical Weapons Convention, so should he lead the battle against this new threat to global security. He should not be swayed by arguments that global agreements would spawn an intrusive international bureaucracy. Comparable criticisms were leveled at the arms treaties and dispelled — and the danger from not taking action is just as severe. Those agreements demonstrated that global problems could be solved through international agreement. Their lessons can help us limit and reduce the growing threat from climate change before we find ourselves facing catastrophe.

The writer, a former diplomat, is on the board of the Environmental Defense Fund. He contributed this comment to The Washington Post.

China's Economic Reforms Are Gradual but They're Working

By Pieter Bottelier

BEIJING — The past two decades have been the longest period of sustained, rapid modernization in China since the Opium Wars began in the mid 19th century. But while the reforms are fundamental, they are incremental in design and implementation.

For China's leadership, reform is essentially a process of learning by doing and continuous national consensus-building to ensure a balanced approach and popular understanding. A collective leadership style, as envisaged in China's 1982 constitution, has emerged in the last five years. While they have increasing confidence in their ability to manage the reforms, Chinese leaders continue to seek advice from many sources, including the World Bank, and study the experience of other countries. They try to make sure that reforms do not outrun institutional capability, as has often happened in other transition economies.

Few elements of the old centrally planned and closed economy are left untouched. For large state enterprises, corporatization and ownership diversification have become real options or even market requirements. For thousands of medium and small state enterprises, owned by lower-level governments, privatization is becoming increasingly common.

To promote efficiency in the state sector, China, unlike most other transition economies, has relied primarily on competition policy and management improvement.

In 1996, well over 6,000 mostly small state enterprises with no economic future and no buyers were closed. Most domestic prices are now market-determined. Budget subsidies to loss-making state enterprises have been sharply reduced. State commercial banks have been told to begin cleaning up their balance sheets by writing off bad debts. Insufficient progress in this area could jeopardize the entire reform and modernization effort and the Chinese know it.

China's fiscal situation remains weak. It is the Achilles' heel of the reform effort. Total budget revenues at all levels of government account for just slightly more than 10 percent of gross domestic product, one of the lowest such ratios anywhere. The building of modern national and local tax collection programs is a colossal challenge.

China aims to establish a level playing field for state and nonstate enterprises, which are often more dynamic. Compared to nonstate enterprises, the state sector is overtaxed. This imbalance tends to slow down state enterprise and hence financial sector reform. It also underlines the critical importance for China of learning to tax the nonstate sector more effectively and to eliminate unnecessary tax incentives.

Serious inflation, which threatened to derail reforms in 1994 and 1995, was brought under control in 1996 without killing growth. Enormous political effort, supported by increasingly skillful macroeconomic management was responsible for this important success. It was a wrenching experience from which emerged a central bank with real power and growing professional competence. Correcting the remaining deep-seated structural problems in the economy, however, will be a long, difficult and painful process.

The huge country's internal economy is at last being knit together by roads, bridges, phones and faxes.

The rapid growth of foreign direct investment and external trade and their importance for the development of coastal provinces is well known. The development of internal trade and markets, including labor and financial markets, is not as well documented but will be equally or more significant in the long term.

China's internal economy was never well integrated. The virtual absence of a modern communications and transportation infrastructure until 20 years ago kept internal trade at a very low level. All that is changing thanks to rapid technological development and an extremely ambitious investment program financed largely from domestic savings.

An interprovincial highway system is under construction. The railroads are modernizing. Air transportation by some 40 domestic airlines is growing at 13 percent a year and the quality of service is improving. The fax machine was made for China. It has allowed people who speak different dialects but use the same characters for words to communicate over distance with ease for the first time. More than 15 million new telephone connections with state of the art technology are being installed each year. Cellular phones have become ubiquitous.

In 1949 there was no bridge across the Yangtze River, dividing North and South. The first bridge was constructed with Russian assistance and completed in 1959. The second was built by the Chinese and finished in 1969. Since the beginning of the reforms in 1978, 11 major new Yangtze bridges have been built. Thirteen more are under construction or planned.

The effect of all this on domestic trade, labor mobility and, above all, on the attitude and thinking of the Chinese people is nothing less than revolutionary. The major parts of China are being knitted together as one country like never before.

As internal economic integration progresses, domestic barriers to competition are coming down. One of the results of this is that better intellectual property rights protection has now become as much a domestic as an international trade issue. Domestic pressures to replace remaining administrative discretion with sound competition policy and rule of law is building.

China is on the move both figuratively and literally. Masses of "redundant" farm laborers are seeking a better life elsewhere and have money and much greater freedom than before to do so. Unneeded workers in the state sector are slowly being released. After retraining, most find alternative employment in the more efficient state enterprises and in the rapidly expanding nonstate sector. Many open private businesses, often with initial state support. A large proportion of the more than 60,000 taxies in Beijing started this way.

Transitional unemployment is nonetheless high in some cities, perhaps 20 percent or more. Some Chinese workers and retirees are losing out in the transition. Social safety nets are being built, but they are as yet inadequate. Tensions and social inequality are rising, presenting major challenges to the leadership, as do worsening environmental pollution and urban congestion. The challenges are indeed enormous and success is not guaranteed.

So far, a large majority of China's population, both urban and rural, has gained from the reforms, many significantly. Consumer choice has become impressive even in small towns. Food supply is abundant everywhere. China has become a significant net exporter of food — meat, fish, poultry, fruits and vegetables — in recent years. While incomes are rising, interest in sports, arts, music, fashion and religion is expanding. High growth is no longer limited to coastal provinces. Two populous interior agricultural provinces — Anhui and Jiangxi — were the growth leaders in recent years. Though, poverty is still severe in many parts of rural China, the incidence has declined significantly.

It is important to remember that average income is still below $700 a year. Yet because of China's large population, its economy, however measured, is already considerably larger than those of Russia and India combined. China is likely to become one of the world's leading economies in the next century.

China's reforms have a long way to go, but they are on the right track. What China needs more than anything is time. It is not easy to turn around an ancient society with a population larger than all of North and South America, the 15 European Union countries, plus Australia, New Zealand and Israel put together.

The writer was the World Bank's chief of mission in Beijing for the last 4½ years. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Indian Riots End

CALCUTTA — The disturbances here have come to an end. The Government has concluded an agreement with the rioters. The trouble is about a Mohammedan mosque. It is estimated that at one time a body of over 5,000 rioters held the northeast portion of the town. The European and native police behaved admirably, facing their dangerous duties with unflinching courage. They did not escape a good deal of rough handling.

1922: Montmartre Ties

PARIS — Diplomatic relations between the comic opera Republic of Montmartre and the United States have been established by the appointment of M. Lucien Boyer to watch over the interests of the little commonwealth. The purpose of the Republic of Montmartre is not only jest and folly, as all its members, singers and artists, contribute from their receipts to the upkeep of a hospital for the urchins of the 9th and 18th Arrondissements of Paris. M. Boyer will make a tour of America singing.

1947: East-West Split

PARIS — Complete breakdown of the conference of the Foreign Ministers of Great Britain, France and Soviet Russia came yesterday afternoon [July 2] in a grim meeting during which the ministers of France and Britain, on the one side, and Russia on the other exchanged threats. The conference ended with bitter words over whether the proposal of Secretary of State Marshall meant a Western attempt to dominate other nations. The vehemence of the speakers and the tragic air which surrounded this last meeting convinced all concerned that the long-feared East-West division of the world had at last become a reality.

صكذا من الاصل

OPINION/LETTERS

Israel Needs to Do More For the Tribe It Rescued

By William Safire

WASHINGTON — A marriageable Ethiopian woman falls in love with a young Ethiopian man in Israel. Both are Jewish, but their parents refuse approval of their marriage because family records show they share a great-great-grandparent.

Years later, she chooses a white European Jew. This time, her family elders approve; that's because Ethiopian Jewish tradition, while forbidding marriage within an extended family that can number a thousand, finds marrying a Jew outside that family acceptable.

Nonsensical? On the contrary; by instinctively adhering to such strict rules, the tribe of Israelites that wandered into Africa almost 3,000 years ago was able to maintain its religious and cultural identity without degrading its genetic pool. The tribe's survival with tradition intact was near-miraculous. The rescue of its members by Israel, with American airborne help, from starvation and persecution in Africa as *felashas* — "outsiders" — was inspiring. Now that they are felashas no more, how are the black Jews faring?

Most of the 60,000 Ethiopian Jews are not doing well.

They are not starving; they are not oppressed; they have roofs over their heads. Some serve in the army; one was elected to the Knesset; but most of the 60,000 Ethiopian Jews — more than half under age 18 — are not doing well. They start from way behind. Almost all arrived illiterate, which made it hard to find work. Fathers, who were often a generation older than their wives, were not raised to be go-getters. Parents spoke no Hebrew and could not help children with homework; as a result, Ethiopian immigrants come to school prepared at about half the rate of other Israelis. Not surprisingly, only about 12 percent of them make it through 12th grade, compared with 45 percent of other Israelis. Dropouts are on the rise, followed by youth gangs and petty crime. Uri Tamiat, 28, director of the Israel Association for Ethiopian Jews, told me last month in Israel that "when kids can't keep up in school, they join a gang and roam the streets. They have to belong to something."

What happens when the Ministry of Education is accused of assigning Ethiopian Jews to weak schools and not supplying books and materials? Defensiveness reigns; a bureaucrat proudly points to an uncut budget and issues a release warning critics not to keep publicizing "weaknesses and failures."

Rabbi Micha Odenheimer of Jerusalem has a better idea. He calls for Head Start education starting at age 2; a measurable, accountable target of literacy by the end of third grade; after-school courses in mathematics and computers; integration of Ethiopian kids into high-level high schools near home, and a hundred more youth workers like Uri Tamiat to rescue dropouts. This requires more than more money. Urgently needed is a public-private task force, reporting to the prime minister, run full-time by a red-tape cutter and china-breaker on the order of a 35-year-old Ariel Sharon.

Whenever I try this on Benjamin Netanyahu, he gives me a you-bet, great-idea — followed by no follow-up. Natan Sharansky, head of the Ministerial Committee on Absorption, shows little grasp of the danger or the opportunity, and his constituency resents extra aid given other immigrants. A council of Israeli industrialists, alarmed by Ethiopian suicides in the Israeli Army, is willing to help with job training and work opportunities but needs coordination. The American Jewish Joint Distribution Committee in New York knows what is needed but isn't pushy enough.

Doesn't anybody see the downside risk? The Jew who discriminates against Ethiopian immigrants is anti-Semitic. To all the immediate dangers Israel faces, add this long-term danger: making the old American mistake of allowing the creation of an impoverished, welfare-dependent underclass. And doesn't anybody see the upside potential? The Jewishness of these black Africans is Israel's antidote to racism. Of all the chances to be a light unto the nations — not merely to win diplomatic friends in Africa, but to bring together blacks and Jews everywhere — no opportunity is riper for Israeli Jews and Arabs than to ensure equal opportunity for their Ethiopian compatriots.

Anybody would be sold on this by Shula Mola, 25, an Ethiopian Jew determined to become a teacher. "Too many people think we cannot do well. They should expect more of us."

The New York Times.

A Sign of the Times? Seers Predict Deng's Return

By Velisarios Kattoulas

HONG KONG — Like Moses leading the Israelites through the wilderness but dying in sight of the Promised Land, Deng Xiaoping engineered the return of Hong Kong to China but "went to meet Marx" without witnessing the handover.

Reminders of Mr. Deng, who dreamed of visiting this thriving metropolis before his death, are everywhere this week. His image

MEANWHILE

is splashed on murals across capitalist Hong Kong. His widow, Zhuo Lin, and a daughter attended the ceremony returning Hong Kong to China at midnight on Monday after 155 years as a British colony.

Official Chinese media invoked his words and deeds in a continuing campaign to slow the spread of corrosive Western ideas and promote the chaste values of communism: hard work, self-sacrifice and devotion to the party. And in speeches celebrating Hong Kong's return to the Middle Kingdom, Hong Kong Chief Executive Tung Chee-hwa and President Jiang Zemin of China both lauded Mr. Deng, who in Mao Zedong's words "went to meet Marx" in February at age 92.

"We deeply miss our beloved Comrade Deng Xiaoping," the People's Daily said in probably the week's most emotional tribute to the architect of the "one country, two systems" formula under which Hong Kong is to retain its freewheeling, capitalist way of life for 50 years.

"Hold high Deng Xiaoping's great banner of building socialism with Chinese characteristics," the official Communist Party newspaper said, referring to Mr. Deng's fig-leaf phrase to justify his support for un-Marxist concepts such as free markets, private enterprise and stock exchanges — all anathema to his predecessor, Mao.

Yet China needn't have bothered mourning Mr. Deng afresh, because — according to soothsayers at a Buddhist temple in Hong Kong famous for the accuracy of its oracles — he appears poised for a comeback.

"Deng Xiaoping was a good man because he saved a lot of lives, and he is going to come back to save some more," said Amelia Chow, a soothsayer at the Wong Tai Sin temple.

'Deng is preparing for reincarnation a decade from now. Don't ask any more.'

"Deng is probably going to come back as a man, and he will be powerful again because he was a personality who attracted power like a magnet attracts metal."

Mr. Deng is often praised for modernizing China's backward economy after he became paramount leader in 1979 and for improving the lives of the peasants, who account for the bulk of China's 1.2 billion people.

At the same time, he is blamed by many worldwide for the death of scores of democracy activists in a military crackdown in Tiananmen Square on June 4, 1989, although apologists insist his brutality saved China from slipping into a far more lethal chaos.

Richard Tsui, another of about 100 soothsayers at the temple that is surrounded by the ubiquitous apartment towers of urban Hong Kong, also said Mr. Deng would be back.

"Ten years," he said. "Deng is preparing for reincarnation a decade from now. Don't ask any more."

Whether the soothsayers are kowtowing to Hong Kong's new rulers in Beijing is hard to tell. But they look convincing, surrounded in tiny air-conditioned booths by small Buddhas, incense and drawings illustrating the age points and energy lines that cover the human face and hands, according to Chinese beliefs.

Either way, the response of one of Hong Kong's 6.3 million mainly Chinese residents to the news that Mr. Deng might be back was swift, succinct and typical of Hong Kong.

"Not scientifically proven," she said.

International Herald Tribune

At the peak of Hong Kong.

LETTERS TO THE EDITOR

What NATO Wrought

Regarding "Obstructionist NATO" (Letters, June 27):

The writer says that NATO forces "obstructed any meaningful action in Bosnia." What about Operation Deny Flight, which leveled the playing field, restricting the Serbs' advantage in air power? What about Operation Deliberate Force, involving three weeks of air strikes against Serbian military targets, which ended the Serbs' bombardment of Sarajevo, made them pull back their heavy weapons and established free access to Sarajevo? What about Operation Sharp Guard, involving NATO ships, which protected the UN embargo against smuggling?

It was NATO's aggressive actions that contained the conflict and finally put enough military pressure on the Serbs to bring them to a negotiated settlement, the Dayton peace agreement.

PETER B. MARTIN.
Montcuq, France.

'Ill-Gotten Gains'

Regarding "Should America Pay Damages to Blacks?" (Opinion, June 3) by William Raspberry:

I agree that America is in debt to blacks. Much of the wealth of America has as its seed the slave labor that helped to establish the country as an economic power.

But why not go back further and calculate what we owe the Native Americans we robbed and slaughtered and continue to marginalize even today? Is America entitled to keep these ill-gotten gains? The Swiss Nazi-gold fiasco is small potatoes by comparison.

PETER WEBSTER.
Le Cannet, France.

Men Weigh In Late

Now that Mike Tyson has bitten a man's ear, we hear from men: "There's something really wrong with this guy. He's a bad man; he's messed up." Committing rape did not ruin the hero's reputation, but committing a boxing foul might? Doesn't men's gut feeling about which behaviors sully "male honor" need rethinking?

S. L. SCHWARTZ.
Oslo.

The Beauties of Belgium

Regarding "The North-South Connection" (Art, May 24) by Roderick Conway Morris:

In his otherwise excellent review of the exhibition of Flemish and Dutch painting at the Palazzo Grassi in Venice, the writer quoted an unidentified architect as saying that "Belgium's dense population and uncontrolled dormitory-town sprawl has made it beyond dispute the ugliest country in the world."

I was quite disturbed that the writer would even consider repeating such an outrageous statement.

In my many years in Belgium I have never ventured far without marveling at the sheer beauty to be found not only in its many architectural splendors — such as buildings in the art deco style, medieval remains, chateaux and many superb villas — but also in the care lavished on its forests and parks.

Surely the architect in question has never seen beyond the row houses, although many still have carriage entrances intact that recall an earlier, more gracious way of life, and even the less pretentious ones usually have small, enclosed rear gardens and/or small front gardens, rarely without a profusion of flowers and shrubs.

FLORA BOURDEAU.
Brussels.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

THE COLLECTOR COLLECTOR

By Tibor Fischer. 221 pages. $23. Metropolitan.

Reviewed by Mike Musgrove

THE collector collector of Tibor Fischer's third novel is ceramic, an ancient Sumerian bowl. Not your everyday household item, Fischer's narrator is "the bowl with soul" and has weathered the millennia with consciousness, attitude and a supernatural ability to remake itself into other pieces of crockery at will.

With nothing to do but people-watch over the years, our hero has seen it all, becoming a cataloguer of everything human: It has noted 166 classes of nose and 2,234 classes of navel, 91 ways of telling the truth and 210 ways of lying, 640 forms of allure (20 of which are also forms of plainness) and a total of 92 types of surprise.

Fischer uses the bowl to reveal how people behave when they are alone: "I get to see the unflattering side of people. Not necessarily the worst side, but certainly the side people don't want others to see.... Ministers thumb-sucking. Heroes nail-biting. Underwear run for days. Judges pretending to be goats, badly."

Our narrator's current custodian, Rosa, a young art appraiser in south London, is one of the few people who can sense that there is something different about this item in her temporary possession. When she holds the bowl in her hands, it speaks to her, transmitting tales through her pores to her subconscious.

The bowl tells stories — some of the most captivating sections of this short novel — of its past owners, variations on a dark theme that life is heartbreaking and absurd and occasionally ends with someone being bludgeoned to death by a frozen iguana (a running joke, iguanas make a number of appearances in "The Collector Collector," as entree or weapon).

Rosa is a good person, ridiculously good — the type who gives blood, gives to charity, helps old ladies across the road, doesn't play music loud, doesn't litter, declares all her income, and so on. Problem is, none of her winning qualities has helped her land Mr. Right, and out of sheer desperation she has kidnapped an advice columnist and stashed her in a well, determined to hold the hapless scribbler hostage until her pointers help Rosa find love.

Meanwhile, Nikki, Rosa's sponging houseguest, who lists prostitution, intravenous drug use, and mail-tampering among her less heinous crimes, is having no difficulty in receiving attentions from policemen, washer repairmen, Jehovah's Witnesses and trapeze artists. But Nikki has her own problems, among them avoiding the occasional assassin sent by former lovers and/or victims of her misdeeds, and getting a good price for all the stuff she's stealing from Rosa's apartment.

Romance finally arrives on Rosa's doorstep as a result of Nikki's parting rip-off, which comes after the bowl has had a chance to use its shape-shifting ability to surreptitiously save the day from a spiky-haired assassin who calls himself "Mr. Annihilator" ("Ann" for short).

Readers of Fischer's previous novels, "Under the Frog" and "The Thought Gang," will recognize the rampant randiness, inspired wordplay, and sudden, comic violence that have become his trademarks. Indeed, these are the only qualities that his diverse books have in common.

I love Fischer's novels and think everyone should read them. However, with each book Fischer has become more infatuated with his protagonists and fallen more out of sorts with the rest of the world at the expense of his fiction. In "Under the Frog," which tells the stories of a group of young basketball players scraping by in post-World War II Hungary (Fischer himself was born in London of Hungarian parents), even the secret policemen, who are evil and ominous in that way that only secret policemen can ever really be, are given recognizably human touches.

No writer who makes an inanimate object a central character (and pulls it off well) can be accused of laziness or uncreativity. It is, though, a little simplistic to use excessive riches, a law degree, or a penchant for bodybuilding as a shorthand indicator that a particular character is a buffoon and not to be liked — even if we do know what Fischer's talking about. Conversely, Rosa is really too pure, too good, to be entirely believed. The bowl, which is given little tics such as a disdain for Gorgon vases, seems more human, somehow. "The Collector Collector" isn't Fischer's strongest novel, but it is a likable and highly entertaining book from a writer who is gifted with formidable imagination, soul and an admirable determination not to repeat himself — or anyone else, for that matter. Now we have to sit back and wait another year or two for his next one.

Mike Musgrove, a Washington writer, wrote this for The Washington Post.

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BRIDGE

By Alan Truscott

MOST people would be unhappy if their departure caused pleasure, but Laura Brill and Rick Goldstein of White Plains were flattered. It happened at the regional championships in Saratoga Springs, New York, recently. In the first three days they had won the Open Pairs, the Swiss Teams and another Open Pairs. This sentiment appeared in the daily bulleting on the fourth morning: "Thank heaven they are leaving today. Now maybe somebody else can win something."

Brill and Goldstein are the co-owners, with Cliff and Rose Meltzer, of the Bridge Deck in Scarsdale, New York. The diagramed deal helped them achieve a Saratoga victory.

NORTH
♠ J 8 4 3
♡ A K 8 2
◇ A Q 4 3
♣ 10

WEST
♠ K 10 7 6 5 2
♡ 10 4
◇ J 8
♣ J 4 2

EAST
♠ Q 9
♡ 9 7 3
◇ K 10 9 6
♣ 9 7 6 3

SOUTH (D)
♠ A
♡ Q J 6 5
◇ 7 5 2
♣ A K Q 8 5

Neither side was vulnerable. The bidding:

South	West	North	East
1 ♠	2 ♠	Dbl.	Pass
4 ♡	Pass	5 ♡	Pass
5 ♠	Pass	6 ♡	Pass
Pass	Pass		

West led the heart ten.

Brill as South landed in six hearts, which appears to stand or fall on the diamond finesse. She won the trump lead with her jack and led to the king. She then cashed the spade ace and three top clubs, discarding diamonds from the dummy. Next she ruffed a club with the heart eight, and ruffed a spade reaching the position shown at right:

The club eight was led, and a spade was thrown from the dummy. If East had ruffed, he would have to make a fatal lead from the diamond king. He chose to discard a diamond, but that was no better. Brill led to the diamond ace and ruffed a spade, making her slam.

NORTH
♠ J 8
♡ A
◇ A Q
♣ —

WEST
♠ K 10 7
♡ —
◇ J 8
♣ —

EAST
♠ —
♡ 9
◇ K 10 9 6
♣ —

SOUTH
♠ —
♡ Q
◇ 7 5 2
♣ 8

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HEALTH/SCIENCE

TOMORROW LEISURE

The Druid Peak Pack and Big Mama, a Wolf Success Saga

By William K. Stevens
New York Times Service

YELLOWSTONE NATIONAL PARK, Wyoming — Early on a crystalline June morning, as sunlight began to brighten the peaks, forests and green meadows of the Northern Rockies, the wolves known as Yellowstone's pack from hell were already at work.

Confidently, almost nonchalantly, five of the six adult members of what is formally called the Druid Peak pack patrolled their territory, sniffing the ground and depositing urine scent marks along an open hillside studded with patches of Douglas fir, spruce and aspen. Only 300 yards from a well-traveled road, a big gray female headed the single file, with the dominant pack member strolling along third in line — a 122-pound gray wolf, his outstretched, rigid tail advertising his status as alpha male.

He is no ordinary animal. Barrel-chested, powerful and aggressive even for a wolf (one scientist likened him to a linebacker), he ripped the bars out of an aluminum cage in which federal scientists transported him from Canada last year. "Right away we knew he was different," said Dr. Douglas W. Smith, a wolf biologist for the National Park Service who directs the re-introduction project.

Thirty-Eight, as this formidable creature is named, is part of what is widely hailed as a spectacularly successful effort to re-establish wolves in Yellowstone National Park. He solidified his reputation soon after arriving here by leading the Druids in a territorial raid on a longer-established wolf family, the Crystal Creek pack. The Druids killed the opposing alpha male and all his young offspring, banished the bleeding adult survivors to another part of the park and took over their den.

Since then the pack has killed two more adult wolves, earning it nicknames like the Pack from Hell and the Dreadful Druids. "They are a bunch of hoodlums," Dr. Smith said.

In an enterprise that has restored the only missing piece to Yellowstone's renowned array of big mammal species, 41 wolves have been transplanted to the park from western Canada and northern Montana since January 1995, and they and their offspring have produced an estimated 60 to 70 pups. (The exact number will not be known until early winter, when this year's pups are nearly grown and a better count can be made.) Since the program started, 10 pups and 10 adults have died from various causes.

Here, on an open and easily accessible stage, the day-to-day struggles that determine long-term evolutionary dominance are on unusually clear display. And in this arena it turns out that for all their aggression, the Druids have so far been eclipsed by another group, the Rose Creek pack, and especially by its central figure.

She is an aging, long-suffering, charcoal-colored alpha female, called Rosie by some, Mom or Big Mama by others, but simply Nine (the number assigned to her when she was transported from Canada in 1995) by most. With seven adult members, her pack is the largest of nine in and around the park.

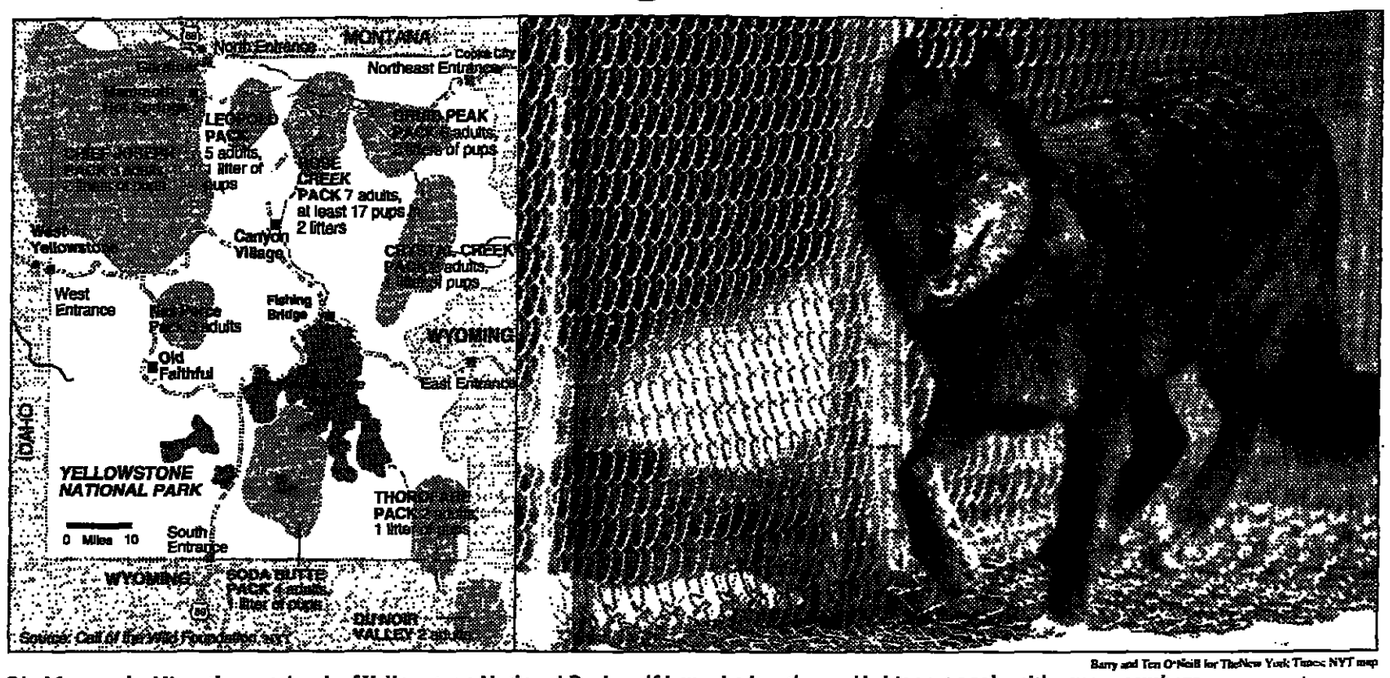
Only 30 months after the first wolves were transplanted here, there may be as many as 100 ranging freely hereabouts. If things keep going this way, federal officials say, it may be possible to take the wolves off the federal endangered list by 2001, ahead of the projected schedule. More than any other Yellowstone wolf, Nine is responsible for this success: Almost half the wolves here are her children or grandchildren. An older daughter has formed a pack of her own, the first naturally formed such family grouping here since wolves were exterminated from Yellowstone by the government in 1926.

Nine attracted widespread attention two years ago when her original Yellowstone mate, Ten, was shot and killed, leaving her to fend for herself and eight pups, the first born of the restoration experiment. Now she not only has the upper hand in terms of reproductive and genetic dominance; she and her group have also shown their strength in battle, aggressively driving off the invading Druids. But there was a price. One of her yearling sons — "feeling his oats," Smith said — apparently pursued the fleeing Druids alone. They turned and killed him. And just a few weeks ago, the Druids caught one of Nine's daughters alone and killed her, too. The daughter's pups, one of this year's three Rose Creek litters, died.

NOW there seems to be a standoff in this evolutionary numbers game, albeit a tenuous one, since the Rose Creek and Druid Peak territories abut each other. Nine has surmounted all this and more to emerge grayer, distinguished looking and a near-legend. If anyone ever erects a statue of a wolf in Yellowstone, says Smith, "it should be her."

In all, an estimated 85 to 95 wolves now live here, and Smith says that given normal reproduction rates there could well turn out to be 100 when the count is complete. Officials of the Northern Rockies wolf recovery program say that no more introductions are necessary to meet the goal of removing the wolf from the endangered list. Natural reproduction, they say, should do the rest.

"We could de-list by Dec. 31, 2000," said Ed Bangs, a biologist with the federal Fish and Wildlife Service, based in Helena, Montana.



Big Mama, aka Nine, the matriarch of Yellowstone National Park wolfdom; she has the park's biggest pack, with seven members.

Preventing Sight Degeneration

By Jane E. Brody
New York Times Service

NEW YORK — Do door frames, telephone poles and the edges of buildings appear bent or crooked, as if you were looking at them through heat waves on a highway?

Do objects at a distance seem clear but those up close are blurry, or vice versa? When you cover one eye and then the other, do you notice a change in the color or size of objects? Is there a blurry or blank spot in the middle of your visual field, as if a flash bulb had just gone off in your face?

Do not assume that you need new glasses and can wait weeks for a convenient appointment. See your ophthalmologist right away. Accept no delays. Any of these visual distortions may be an early symptom of age-related macular degeneration, a loss of central vision that is the leading cause of legal blindness in the United States. Any delay in getting a proper diagnosis and starting treatments to slow or stop the progress of this disease can hasten the day when you may no longer be able to read, drive or recognize faces.

Even if you have no such symptoms, if you are over 50 and have not had your eyes examined for several years, make an appointment to do so now. The earliest stages of macular degeneration produce no symptoms, though early signs of this irreversible condition can be detected through a complete eye examination.

The macula is a tiny, highly sensitive region in the center of the retina that allows you to see fine details when you look directly at something. The macula also contains an intense concentration of pigmented cells, which enable you to see colors. Without a properly functioning macula, your central vision becomes increasingly impaired, though you will retain peripheral vision in shades of black and white.

With advancing age, the macula is subject to deterioration in one of two ways. It may become thin and sprinkled with small yellow spots, called drusen, which show up during a retinal exam when your pupils are dilated. About 90 percent of age-related macular degeneration is this so-called dry form, which may progress slowly, rapidly or not at all. But eye specialists are unable to predict the likelihood or speed of progression. Therefore, everyone with early stages of this problem would be wise to follow suggestions that may keep it from getting worse.

The remaining 10 percent of cases, the so-called wet form of macular degeneration, are more serious and more predictable. They result from an abnormal growth of new blood vessels beneath the retina, which pushes up the macula like tree roots under a sidewalk.

These vessels are fragile and may leak cell-damaging blood and fluids into this visually critical region, form scar tissue and cause a rapid deterioration of central vision.

Macular degeneration is rare in people under 50, but its incidence rises with age. Nearly a quarter of people 65 and older have some manifestations of this disease. A recent five-year study of 3,583 Caucasian adults from 43 to 84 by Dr. Ronald Klein and his colleagues at the University of Wisconsin in Madison found that 30 percent of adults 75 and older had early signs of the disease and 23 percent would develop the condition within five years. As more people live to advanced ages, experts predict, the disease will affect 6.3 million Americans by 2030.

Heredity, race and a person's sex play a role in susceptibility to macular degeneration. Whites are more susceptible than blacks, and Hispanics and women are twice as susceptible as men in general.

But the main underlying cause is oxidative damage to the delicate cells of the macula. This damage results from highly reactive substances called free radicals, which are continually formed within the body and through exposures to outside agents. People may be unable to counter free-radical damage if their diets are deficient in fruits and vegetables that are rich in anti-oxidants or if they consume a lot of alcohol or saturated fats and cholesterol.

EXPOSURE to the blue and ultraviolet rays of sunlight also generates free radicals in the retina, especially in people with light-colored eyes. Tobacco smoke is another source of free radicals and a major reason for the increase in macular degeneration among Americans.

A study published last October in The Journal of the American Medical Association, which followed 21,157 initially healthy male doctors for at least seven years, showed that those who smoked a pack or more a day were two and a half times as likely to develop macular degeneration as those who had never smoked. Among men who were former smokers, the increase in risk was about 30 percent.

A Backlash in Managed Care

By David S. Hilzenrath
Washington Post Service

WASHINGTON — A political backlash is building against managed care across the United States as doctors and patients protest what they see as potentially dangerous penny-pinching by the health-care industry.

In Missouri, the governor last month signed a bill requiring managed-care companies to pay for emergency room visits whenever a "prudent layperson" would have reason to believe that immediate care is needed, even if a managed-care administrator might disagree. In Hartford, Connecticut, center of the U.S. insurance industry, the state legislature last month approved a bill that would allow patients to appeal to the state insurance commissioner when health plans decide not to pay for their medical treatment. And Texas last month made it possible for consumers to sue health maintenance organizations for medical malpractice, removing a barrier that had shielded them from liability.

The legislation reflects consumer frustration with managed care, the cost-conscious form of health insurance that has grown over the past decade from obscurity to cover an estimated three-quarters of the private-sector workers in the United States.

Doctors and patients have been calling for curbs on the managed-care industry's powers, arguing that some companies are profiteering at the expense of patient care, making it difficult for people to get quality medical attention. Officials in dozens of states have responded by stitching together a patchwork quilt of new regulations. Some of the measures have passed by overwhelming, even unanimous, margins.

In Washington, the budget bill passed by the House last month would strike at managed care's jugular by requiring Medicare HMOs to defer to doctors on big decisions about coverage. For example, the bill would give the doctor final say over the length of a covered hospital stay.

Some people are worried that the movement threatens to undermine managed care's success in containing health-care costs. Many of the "patient protections" are more like "doctor protections," inspired by physicians who are feeling the financial squeeze, the opponents said. But even some representatives of the managed-care industry acknowledge that the campaign has gained considerable momentum.

When the Missouri legislature took up its broad managed-care bill, which included the provision on emergency room visits, "people couldn't vote against this bill," said Randy Scherr, a lobbyist for HMOs. "It had to be the No. 1 back-home response issue for most of the legislators."

Steve Ehlmann, the Missouri Senate minority leader and a Republican, said he asked constituents about managed care in his annual legislative survey, and "I was amazed that like 85 percent basically said, 'It's broken, you need to fix it.'

"The people who are complaining the loudest are the people you see every day on the street," said Mr. Ehlmann, who voted for Missouri's managed-care bill. "They are the doctors and the consumers, and they all have a horror story to tell you about the insurance company that wouldn't pay on the claim."

Four years ago, President Bill Clinton tried and failed to overhaul a health-care system in which costs were virtually unchecked and rising faster than the nation's ability to pay. Managed care filled the void with a variety of cost-saving measures, such as restricting patients' access to medical specialists; limiting patients' choice of physicians; and reducing the length and frequency of hospital stays.

Other cost-saving techniques include: giving doctors pay incentives to practice efficient — some say parsimonious — medicine; measuring individual physicians' use of medical resources, and requiring doctors and patients to obtain approval for coverage of expensive tests and treatments. From 1992 and 1996, the percentage of workers covered by managed care grew to 77 percent from 49 percent at businesses with 10 or more employees, according to surveys by the consulting firm Foster Higgins. The cost of health-care benefits, which was climbing by 10.1 percent in 1992, rose by 2.5 percent last year, slower than the economy's overall 2.9 percent inflation rate, Foster Higgins reported.

IN a February poll by Louis Harris and Associates, 38 percent of respondents said they believe managed-care companies such as HMOs "generally do a bad job of serving their customers." In a November survey by the Kaiser Family Foundation and the Harvard School of Public Health, 54 percent said "government needs to protect consumers from being treated unfairly and not getting the care they should from managed-care plans." Managed-care executives and lobbyists say their own research finds a high level of customer satisfaction.

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ACROSS
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7 Playboy Hugh, familiarly
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13 Working together, with "in"
15 One reason to do something crazy
17 Sharp
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23 "Are you game?"
25 Partner of Warner
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28 "Dianetics" author —— Hubbard
30 Math finale
33 Hotelier Halmsley
34 Prior to, old-style
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36 Some relics
37 1995 Robin Williams movie
38 Lightly cooked
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40 Bluegrass player
41 "L.A. Law" lawyer
42 "The Tonight Show" nickname
43 Former U.S. poet laureate —— Dove
44 European shipping units
45 First name in stunts
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48 It shows the way
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52 Katharine's role in "Adam's Rib"
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60 Poseidon's prop
61 Atlas abbr.
62 Passing need?
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31 "Sesame Street" regular
32 Big blockers
34 West End classic "Charley's ——"
37 Clink
38 Like magazine subscriptions
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41 "Now —— theater near you!"
44 Lady abroad
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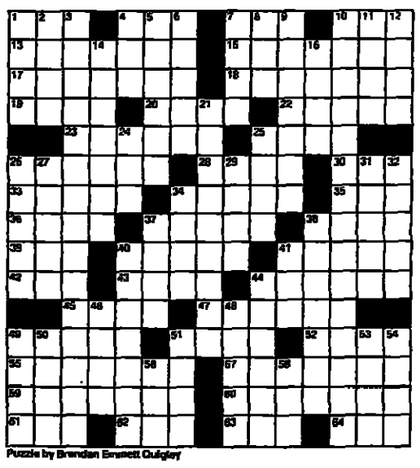

Puzzle by Brendan Emmett Quigley

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Solution to Puzzle of July 2

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MEN'S FASHION

Under-Statements From Gucci

By Suzy Menkes
International Herald Tribune

MILAN — Under those super-tight pants sprayed on hip and thigh, what's a guy to wear? As the models sauntered out in fig leaves of mesh with matching tank tops, the answer was transparently clear: Gucci underwear.

Designer Tom Ford is into problem solving — not least the brainteaser of how to reinvent Gucci's hip, seductive and signature style each season. For spring-summer he decided to work from the bottom up.

As well as those peacock-male underpants, there were swimsuits so brief you might have thought there was no room for an identifiable "G" for Gucci. Except that it is now a tiny rhinestone logo studding the hip or the heel of mock-crocodile shoes.

For the ultimate in daft status symbols, the sparkle logo appeared on jeans so beat up they looked like Mike Tyson had been chewing them. Ford, with a twinkle in his eye, described the threadbare shreds as "hand-distressed."

Gucci's collection was witty, wearable and unmistakably tongue in cheek. It is Ford's genius to offer at the same time clothes with flash and dash — and to parody that status-symbol style. After Gucci's star-studded gala in Hollywood last month, this was a collection that reeked of West Coast glamour.

At the heart of the show was the sleek tailoring with which Gucci is now identified: slim-line suits in dark, iridescent colors. Since it is summer, Ford showed some pants just with white shirts and mock-crocodile suspenders (another must-have accessory). He also showed an Armani-esque pleat-front pant that was less convincing.

In just a few seasons, Ford has invented luxurious Gucci classics: sexy, streamlined suits, glossy leather jackets and gauzy sweaters. Domenico De Sole, Gucci's president, says that the company is not about to install vast underwear departments in stores. But in Ford's witty take, Gucci may have found yet another way to boost the bottom line.

What must the nuns, peeking from convent windows, have made of Romeo Gigli's models parading around the cloistered rose garden? That here was a gentleman designer making sweet-colored suits.

Gucci's distressed jeans worn with white shirt and sweater.

Gigli's passion for rich Renaissance colors and ecclesiastical vestments ought to have flowered in the poetic setting. Instead the mismatched suits in candy-colored stripes and checks — with dangling-cuff shirts, gingham-trimmed collars and truncated ties — just seemed like products in Gigli's style, but not from his soul. The switch from his signature dense ethnic prints to linear patterns seemed forced. Linen suits, however subtle their colors, now look familiar. A tighter editing of the show might have sent out a more concentrated message.

Moschino was forced by its founder's death to become a brand, rather than a designer label. The company has done a reasonable job of keeping Franco Moschino's wacky spirit alive, but its method looks formulaic. The models walked past gingham-checked trattoria tables, showing first an outfit on the wild side — and then a sober one. Black T-shirt/white jeans; black T-shirt/turquoise-sequined jeans; swim pants with a rhinestone belt trompe l'oeil at the hips; simple swim pants under a black nylon coat; wildly striped suit; plain suit. This may be how the clothes are sold, but a show should not seem so cynical. And as for old jokes like a suit printed with scissors and basting lines: Been there, seen that.

SINCE so few shows in Milan have an edge, the sight of a model descending backward down a ladder in ultra-low-slung pants created a frisson of excitement. Fill in some funky details — a single leather arm piece, a watch worn like a tourniquet, a metallic silver thumbstall, a backless boot — and the late-night show of Carol Christian Poell looked intriguing. The Austrian designer is still under the influence of an existing avant-garde, but the cutting was experimental and fabric effects original. And any designer prepared to challenge Milan's big, bland scene deserves watching.

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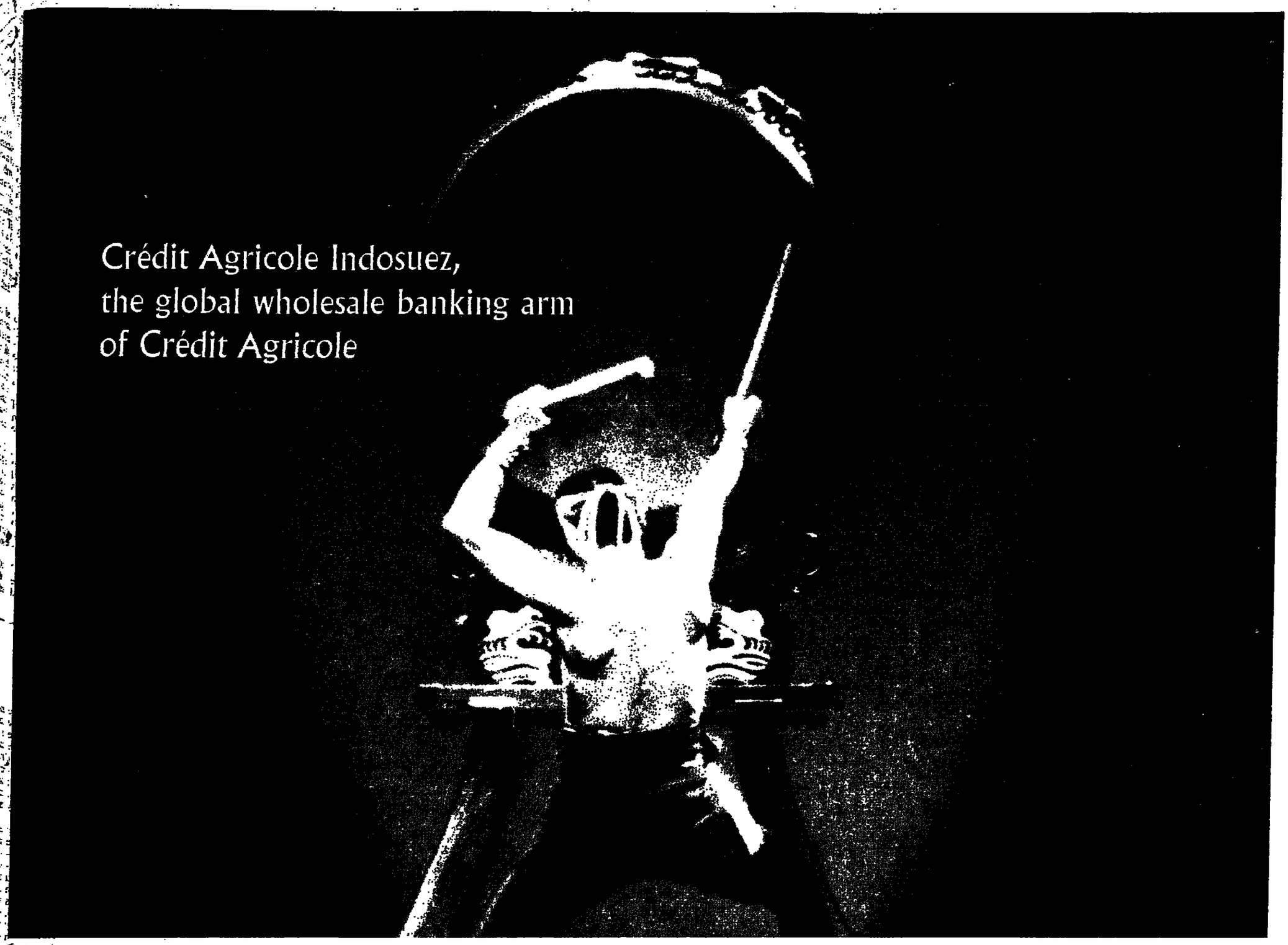

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Paris Weighs New Taxes On Firms

France Hopes to Fill Budget Shortfall to Meet EMU Criteria

By Barry James
International Herald Tribune

PARIS — France's Socialist-led government said Wednesday that it was considering an increase in taxes on company profits in order to meet the criteria for joining the European single currency.

The prospect ended a record-breaking rally on the French stock market, sending the benchmark stock index down 1.17 percent, to 2,909.45.

The government also announced plans to make it harder to lay off workers without serious cause.

Catherine Trautmann, the government's spokeswoman, said after a cabinet meeting the government was considering whether to call on profitable companies to make an "extra effort" to reduce the deficit. A decision would be made after an audit of public finances scheduled for July 21, she said.

The audit is expected to show that the previous conservative government left France's finances in poor shape, with the deficit likely to exceed 3.4 or 3.5 percent of gross domestic product, unless corrective action is taken.

The criteria for joining the single currency call for a deficit ceiling of 3 percent, although officials said France might be able to get into the currency union with a slightly higher level than that, provided the trend was dowaward.

Prime Minister Lionel Jospin is caught in the dilemma of meeting the criteria on the one hand and satisfying election promises to create at least 700,000 jobs and not to raise taxes.

Mr. Jospin also pledged during his campaign to shift the burden of taxation from labor to capital, indicating that taxes would fall on company profits as well as investment income. In Britain, the government announced additional taxes of more than £5 billion ($8.29 billion) on the profits of privatized monopolies.

Francois Hollande, the French Socialist Party spokesman, said that if the audit revealed new taxes to be necessary, "it will not be on households. It will not be on the French. It will be on those who have made the most profit in the past few years." Mrs. Trautmann said the additional taxes would be proposed to Parliament in September if they proved necessary.

Nevertheless, the relatively small drop in share values following several surging weeks was an indication that the market expects companies to report increased earnings in 1997, analysts said. Finance Minister Dominique Strauss-Kahn said he hoped the economy would improve as a result of measures to stimulate the economy, and that companies would benefit. Nothing had yet been decided about raising corporate taxes, he added.

Mrs. Trautmann said the government would propose legislation restoring restrictions, removed in 1986, on laying off workers. The bill will subject layoffs to a government review to ensure that job cuts are, in Mr. Jospin's words, "a last resort after the end of genuine negotiations."

Susana Olguín, and her son Alejandro, shop at Sears in East Los Angeles.

Retailers Stock Up to Lure Hispanic Clients

By Jennifer Steinhauer
New York Times Service

LOS ANGELES — It did not take Larry Vines long to figure out why things were not working out at the Sears, Roebuck & Co. store in Boyle Heights, a mostly Hispanic neighborhood just east of downtown.

Advertisements for the store prominently featured tractors, even though it had been a good 100 years since residents of downtown Los Angeles had toiled on the land. Not a single black bra was to be found in the store, though that is what many immigrants who shopped there wore.

Men's bathing suits looked like "something your grandfather would wear," said Mr. Vines, who became the Los Angeles district general manager for Sears in 1994.

The store, which opened in 1927, was set to be closed. But Mr. Vines was convinced that he could turn around one of the oldest of Sears's stores, if only he could fill the shelves with goods that the customers wanted.

His merchandising team got to work. Out went the dowdy bathing suits. Soccer shirts with "USA" emblazoned on the front were replaced by jerseys featuring teams from Latin America. Chain saws took the place of tractors in ads. Joseph Diaz, the store's general manager, was given carte blanche to hire Spanish-speaking sales personnel.

"We wanted the customer to say, 'This store was built for me,'" Mr. Vines said.

The message got across. Sales rose to $50 million last year, double the $25 million of 1992, and profits increased 30 percent between 1995 and the end of last year.

The aging East Los Angeles outlet is now one of the most profitable Sears stores in the region, even though its customer base of fairly recent immigrants from Mexico and Central America is relatively poor.

That triumph, however, required a fundamental rethinking of how Sears operates — one that many U.S. retailers, each in their own ways, have emulated in learning to cater to the immense diversity of the nation's fastest-growing ethnic group, the 30 million Americans of Hispanic origin.

In 1994, stores that catered to regional ethnic tastes were unheard-of at Sears or many other U.S. retailers. Stocking by region was considered costly and hard to manage: How, for example, do you get economies of scale when you are buying a certain kitchen item or dress style for just one store? Department store companies mainly had built their empires on the cookie-cutter model. Buying was centralized, based on the idea that most Americans, even those foreign-born, wanted basically the same things.

Now, though, micromerchandising has extended to a variety of groups and regional tastes. Sears stores in Asian neighborhoods are stocked with smaller sizes and rice cookers; outlets in Houston load up on Western wear every February for Rodeo Week.

But it is Hispanic customers, retail analysts say, who get the most attention, because there are so many of them, linked by language if not a homogenous culture.

The movement started with grocery stores, which easily identified food trends among ethnic groups, and it has slowly spread to retail stores. Sears has 148 stores that concentrate on Hispanic shoppers in eight states, and J.C. Penney Co. Inc. has 120.

Nordstrom Inc., which lets each of its stores tinker with merchandise mix, has staged special events around Hispanic issues. Circuit City Stores Inc. arranges for goods purchased at its U.S. stores to be picked up by friends and relatives at affiliated stores in Mexico.

"My perception is that retailers' efforts to reach the Hispanic markets have gotten a lot stronger in the last year and a half," said Felipe Korzenny, president of Hispanic and Asian Marketing Communication Research, a research company in California.

"It is because Sears was very aggressive and has made a lot of waves," he said. "The other retailers saw that and said, 'There must be something there.'"

See STORES, Page 14

Germans End Their Long Stalemate Over Digital TV

By Edmund Andrews
New York Times Service

FRANKFURT — Germany's troubled efforts to launch digital television got a significant push forward Wednesday when the country's three key corporate players agreed to end years of feuding and support a common system.

The agreement calls for Deutsche Telekom, the nation's telephone company and dominant cable television provider, to make its network available for new digital television services offered by the Kirch Group in Munich and by Bertelsmann AG, the publishing and broadcasting conglomerate.

The agreement appears to end the long stalemate between three powerful companies that each controlled essential building blocks for a successful business in advanced television but that have feuded endlessly in a Machiavellian struggle to control the industry.

The agreement with Deutsche Telekom comes one week after a related collaboration announced by Kirch and Bertelsmann. If the two agreements hold up — and analysts warn that Europe is littered with scrapped media alliances — they could pave the way to a big expansion in advanced pay-per-view and multimedia services in what is by far Europe's biggest economy.

Under the agreement, Deutsche Telekom announced that it will adopt Kirch's technology for set-top decoders and customer verification, and that it will provide capacity over its modernized cable network to carry some 50 channels envisioned by Kirch and Bertelsmann.

That is crucial, because Telekom provides cable service to more than 16 million households and Kirch has thus far had to transmit its fledgling digital service, called DF-1, over satellite.

Beyond that, Bertelsmann and Kirch agreed to merge their dueling pay-television ventures: Premier, which offers one analog channel of pay-per-view movies and has 1.4 million subscribers, and DF-1, which has about 29 channels but only 40,000 subscribers.

Premier is owned jointly by Bertelsmann, Kirch and Canal Plus, a major pay-television company in France. Each company has a veto authority on all important decisions, and Bertelsmann has thus far refused to let Premier and its customers be absorbed into DF-1.

But Kirch, which has spent billions of dollars buying up rights to movies and television from Hollywood, controls vast quantities of programming that are crucial to the long-run success of pay-per-view television.

"This opens up the prospects for digital television, which up until now had been questionable," said Helmuth Runde, a spokesman for Bertelsmann A.G., which is controlled by CLT-Ufa of Luxembourg.

But Ivor Jones, a media analyst with Salomon Brothers in London, warned that the future of digital television, along with more exotic new services like high-speed Internet access and interactive television, is still cloudy because Germans already have nearly 30 channels of television available at low cost.

"There is a difficult competitive environment in Germany," Mr. Jones said. "It already has a multichannel environment. It is already a place where you can see sports on a variety of channels. So it's not as though this platform has a unique proposition, as it was with Sky in the United Kingdom."

Fed Leaves U.S. Rates Unchanged

Wall Street Applauds As Policymakers Find No Inflation Danger

By Mitchell Martin
International Herald Tribune

NEW YORK — U.S. central bankers decided to leave interest rates unchanged at their two-day policy meeting that ended Wednesday, after the economy showed few signs of inflation despite strong growth in recent months.

After pushing up short-term rates by a quarter of a percentage point in March, the Federal Reserve Board's Open Market Committee has opted at its last two meetings to maintain its target for overnight interbank loans, which set a floor for U.S. rates, at 5.50 percent.

Alan Greenspan, the Fed chairman, had been warning investors since late in 1996 that the central bank was concerned about rising stock and bond prices, which he said might reflect "irrational exuberance" about the markets' prospects. But although the economy grew at a strong 5.9 percent annual rate in the first quarter of the year, there have been few signs of inflation.

It is widely believed that economic growth slowed to a rate of about 2 percent in the second quarter, but with unemployment below 5 percent for the first time in two decades, there have been questions as to whether a lack of workers would require wage increases that would kindle significant inflation.

Stock and bond prices rose after the Fed meeting ended. The Dow Jones industrial average finished just shy of a record, up 73.05 points, at 7,795.38. The broader Standard & Poor's 500-stock index rose 13.00 points, to a record 904.03. The Nasdaq composite index, which largely reflects technology stocks, also set a record, rising 17.38 points, to 1,455.63. The yield on the benchmark 30-year bond fell to 6.71 percent from 6.74 percent on Tuesday.

In recent weeks, the view on Wall Street has been that although the Fed might raise rates later this year, it was unlikely to do so at this meeting. That position gained credence Tuesday when the National Association of Purchasing Management issued its June report, which showed the manufacturing sector expanding but at a reduced pace from May. The government, separately, said construction spending slowed in May.

Further evidence of moderating growth came Wednesday, when the government said factory orders fell 0.7 percent in May from April.

Ed Yardeni and Debbie Johnson of Deutsche Morgan Grenfell Inc. said that although overall factory orders fell in May, buying of high-technology goods rose 15 percent. Mr. Yardeni is among a school of economists who say that the widespread use of computers by American industry allows the economy to grow faster than the 2.5 percent annual rate that had been perceived as the maximum that would not lead to inflation.

These so-called New Age economists say that technological advances have made traditional methods of calculating growth and inflation unreliable.

One economist who maintains that the economy is growing far faster than the official data show is Leonard Nakamura of the Federal Reserve Bank of Philadelphia. Mr. Nakamura figures that the economy grew at about a 4.5 percent annual rate from 1978 to 1995, compared with official measures of about 2.5 percent. In the past five years, he said, the rate accelerated to 5.0 percent, compared with about 2.6 percent in the government figures.

If the official data are correct, Mr. Nakamura said, then all the gains in productivity since the late 1970s would have come from workers having more machinery and working increased hours. That means that none of the re-

See FED, Page 14

Americans Tap a Misunderstood Wine Market: French Varietals

By Terril Yue Jones
Special to the Herald Tribune

BORDEAUX — American and Australian wine producers are flocking from their home vineyards to do a booming business in a sector that has been long ignored, even by the French: exporting wine made in the south of France.

Many in the French wine industry have long looked down their noses at wine made in Languedoc, widely thought to be low-grade plonk, and concentrated their export efforts on wines from Bordeaux, Burgundy, Champagne and other regions.

Indeed, the finest French wines are produced under a designation called Appellation d'Origine Controllee, or AOC, a seal of approval that states where a wine is from and certifies that it has been produced under strict regulations, including that of the permitted grape varieties. The labels of wines designated AOC typically do not state the grape variety.

But ninety percent of wines from the Languedoc region of southern France are not made under these restrictions, however, so vintners can produce and label wines as single-grape products, which are highly popular among wine drinkers in America, Australia, Britain, Chile and South Africa.

California's poor grape harvests in 1995 and 1996 prompted savvy dealers to scour Languedoc for moderately priced, quality wines that might appeal to American and British palates.

"In a French supermarket, what do you see: Chateau this, Chateau that,"

INTERNATIONAL MANAGER

said Antoine Songy, commercial director of the Languedoc-based Fortant de France, France's leading wine exporter whose U.S. shipments have skyrocketed from 11,000 cases two years ago to an estimated 340,000 cases this year. "There's no reference for consumers. With our single-grape wines, we are creating a reference for simple, convivial wines of good value."

In September, Robert Mondavi Winery of California plans to introduce a line of under-$12 Languedoc wines, each made from one of several grape varieties grown in Languedoc: cabernet sauvignon, merlot and syrah among the reds; chardonnay, sauvignon blanc, viognier and chasan grapes among the whites.

"Consumers in North and South America and Asia are intimidated and confused by the appellation system, but accept varietal names as a reference," said Michael Mondavi of the winery. French winemaking regions outside of Languedoc "are not being fair to their own consumers," he added.

Kendall-Jackson, Sebastiani, Beringer and Canandaigua are among other American winemakers and merchants importing several million cases

See WINE, Page 17

CURRENCY & INTEREST RATES

Cross Rates

July 2

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.97	3.2585	1.1254	0.334	0.1156*	—	5.455*	1.3414	1.7213*	1.438	1.333*
Brussels	36.0075	59.84	20.635	6.12	2.1209*	18.3355	—	24.595	0.3156	26.07	24.42*
Frankfurt	1.7467	2.8975	—	0.2967	0.1028*	0.8886	4.847*	1.1976	1.5295*	1.264	1.1838*
London (a)	1.6503	—	2.8899	9.7363	2,822.628	3.2518	59.6419	2.4245	188.819	2.2727	243.997
Madrid	147.942	245.299	84.481	25.072	8.655*	75.07	4.0945	100.71	129.253*	107.326	—
Milan	1,704.35	2,827.53	973.80	289.91	—	865.31	47.397	1,160.87	14.809	1,227.13	11.533
New York(b)	—	1.6255a	1.7527	5.908	1,730.00	1.9736	36.17	1.4708	114.45	1.3763	147.75
Paris	5.8946	9.7835	3.3695	—	0.3464*	2.9941	0.1633	4.0148	5.1553*	4.2807	3.9905*
Tokyo	114.75	190.22	65.73	19.51	6.625	58.41	3.1066	78.34	—	83.15	0.7783
Toronto	1.3774	2.3064	0.7857	0.2332	0.0807*	0.6982	0.3809*	0.9378	1.2029*	—	0.928*
Zurich	1.471	2.4384	0.8395	0.2492	0.0882*	0.7463	4.0689*	—	1.2864*	1.0673	0.9941*
1 ECU	1.1263	1.6708	1.971	6.6403	1,919.37	2.2180	40.6676	1.6534	128.925	1.5515	146.421
1 SDR	1.3977	0.8361	2.4238	8.1024	2,344.76	2.7328	49.9893	2.0379	158.605	1.9254	204.507

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	276.03	Mex. peso	7.919	S. Afr. rand	4.529
Australian $	1.3299	Hong Kong $	7.7464	N. Zealand $	1.4738	S. Kor. won	887.10
Austrian sch.	12.317	Hung. forint	187.52	Norw. krone	7.3303	Swed. krona	7.7783
Brazil real	1.0766	Indian rupee	35.78	Phil. peso	26.37	Taiwan $	27.85
Chinese yuan	8.3208	Indo. rupiah	2431.50	Polish zloty	3.29	Thai baht	24.45
Czech koruna	32.36	Irish £	0.664	Port. escudo	176.89	Turkish lira	148325.
Danish krone	6.6665	Israeli shek.	3.5361	Russ ruble	5783.50	UAE dirham	3.671
Egypt. pound	3.3952	Kuw. dinar	0.3034	Saudi riyal	3.75	Venez. boliv.	487.00
Fin. markka	5.2195	Malay. ring.	2.5243	Sing. $	1.4309		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6569	1.6553	1.6539	Japanese yen	113.87	113.36	112.88
Canadian dollar	1.3733	1.3708	1.3683	Swiss franc	1.4632	1.4578	1.4524
Deutsche mark	1.7472	1.7431	1.7394				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo)

Libid-Libor Rates

July 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 - 3 1/16	1 1/4 - 1 1/2	6 1/2 - 6 3/4	3 1/16 - 3 3/16	1/2 - 5/8	4 1/16 - 4 1/8
3-month	5 5/8 - 5 3/4	3 - 3 1/8	1 9/16 - 1 11/16	6 3/4 - 6 7/8	3 1/8 - 3 1/4	5/8 - 11/16	4 1/8 - 4 1/4
6-month	5 3/4 - 5 7/8	3 - 3 1/16	1 5/8 - 1 3/4	6 15/16 - 7 1/16	3 3/16 - 3 5/16	5/8 - 3/4	4 1/4 - 4 5/16
1-year	5 15/16 - 6 1/16	3 3/16 - 3 1/4	1 7/8 - 1 15/16	7 3/8 - 7 1/2	3 3/8 - 3 1/2	3/4 - 7/8	4 5/16 - 4 3/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	6 1/2
90-day CDs dealers	5.67	5.68
180-day CP dealers	5.59	5.58
3 month Treasury bill	5.09	5.10
1-year Treasury bill	5.33	5.34
2-year Treasury bill	6.01	6.02
5-year Treasury note	6.30	6.32
7-year Treasury note	6.35	6.47
10-year Treasury note	6.41	6.44
30-year Treasury bond	6.71	6.74
Merrill Lynch 30-day RA	5.05	5.05
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.46
1-month interbank	0.56	0.56
3-month interbank	0.57	0.65
6-month interbank	0.69	0.70
10-year Govt bond	2.57	2.60
Germany		
Lombard rate	4.50	4.50
Call money	3.10	4.50
1-month interbank	3.10	3.10
3-month interbank	3.13	3.13
6-month interbank	3.16	3.16
10-year Bond	5.65	5.68

Britain		
Bank base rate	6 1/2	6 1/2
Call money	7 1/2	6 3/4
1-month interbank	6 5/8	6 5/8
3-month interbank	6 7/8	6 7/8
6-month interbank	7.00	7.00
10-year Gilt	6.99	7.03
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.52	5.73

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	332.00	−1.50
London	331.45	332.15	−1.55
New York	334.90	332.30	−2.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

Eurotunnel Stock Prices Rise Sharply

Compiled by Our Staff From Dispatches

PARIS — Eurotunnel's stock prices soared Wednesday after the French and British governments offered to extend its right to operate the Channel tunnel, clearing the way to save the company from bankruptcy.

The extension means holders are all but certain to approve the £8.5 billion ($14.1 billion) debt-for-equity swap at a July 10 meeting.

Eurotunnel units, the equivalent of one share in Eurotunnel PLC and one in its French sister company Eurotunnel SA, rose 7 pence a share, or 10 percent, to 76 pence in London. In Paris, they rose 65 centimes to 7.55 francs.

(Bloomberg, Reuters)

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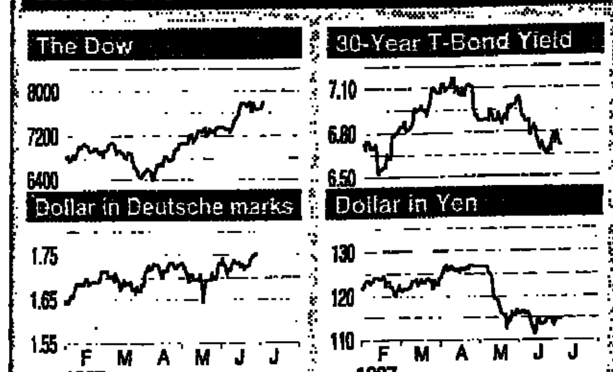


Exchange	Index	Wednesday @4 PM	Prev. Close	% Change
NYSE	The Dow	7795.38	7722.33	+0.95
NYSE	S&P 500	904.04	891.03	+1.46
NYSE	S&P 100	881.17	868.37	+1.47
NYSE	Composite	471.22	466.01	+1.12
U.S.	Nasdaq Composite	1455.63	1438.25	+1.21
AMEX	Market Value	630.05	625.55	+0.72
Toronto	TSE Index	6538.90	6437.74	+1.57
São Paulo	Bovespa	13256.75	13002.29	+1.96
Mexico City	Bolsa	4553.94	4508.11	+1.06
Buenos Aires	Merval	822.98	817.17	+0.71
Santiago	IPSA General	5799.48	5755.08	+0.77
Caracas	Capital General	N.A.	9082.11	

Source: Bloomberg, Reuters International Herald Tribune

Crunch for Montgomery Ward

As It Seeks to Sell Unit, Retailer Said to Halt Payments

By Jennifer Steinhauer
New York Times Service

NEW YORK — As it negotiates the sale of its most valuable asset and a refinancing package from its banks, Montgomery Ward Holding Corp. has stopped paying many of its vendors, according to people familiar with the situation.

As a result, those serving as financial go-betweens for companies and their suppliers have told suppliers not to make shipments to Montgomery Ward.

A cutoff in inventory this summer would hurt Montgomery Ward because the Chicago-based company is trying to stock new kinds of merchandise that are desperately needed for the important back-to-school season.

Montgomery Ward did not return telephone calls immediately. The company has been in two sets of complicated negotiations for months.

It is trying to sell the Signature Group, its direct-marketing unit, to HFS Inc. Montgomery Ward hopes to get $1 billion from the sale, which is close to being finalized, several people close to the situation said.

The company also is negotiating its $1.4 billion debt with its banking syndicate and insurance companies. It was technically in default Tuesday.

Montgomery Ward is hoping to delay its due date until the end of the summer and to secure a refinancing package that would give it greater liquidity to get through the Christmas selling season. But the banks say they will refinance the company only if the new loans are secured, analysts said.

Montgomery Ward also is looking for financial assistance from GE Capital Corp., which owns half of the retailer.

But GE Capital already has invested $180 million in equity in the retailer, given the company $300 million to $900 million in credit to finance its inventory and lent it $150 million more in exchange for some preferred shares.

The position of GE is close to that of the banks: It is happy to dig into its pockets again to bail out Montgomery Ward, but only if its loans are secured.

All the negotiations are entangled. Montgomery Ward is counting on the Signature sale to pay the interest on its debt, but its own financial house must be in order while it attempts to make the sale.

Last year Montgomery Ward lost $249 million on sales of $5.8 billion.

"I think they are really in chaos right now," said Barry Bryant, an analyst with Rodman & Renshaw. "What is going on right now is very complex negotiations between GE Capital and the banks. If the banks don't come through, then HFS won't buy Signature, and if HFS doesn't buy Signature, then the banks won't come through."

Dollar Stays at Highs Despite Steady Rates

Bloomberg News

NEW YORK — The dollar was little changed near three-year highs against the Deutsche mark on Wednesday after the Federal Reserve Board held interest rates steady, as expected.

Increased rates would have given the dollar a lift by making deposits and bonds denominated in the currency more attractive.

"The dollar wasn't trading up because people weren't expecting rates would go up," said Paul Farrell, a manager of foreign exchange at Chase Manhattan Bank, before the decision. So it likely will not move now that rates were left alone, he said.

At 4 P.M., the dollar was at 1.7537 DM, up from 1.7468 DM at the end of Tuesday. It slipped to 114.45 yen from 114.90 yen.

Traders said they were focusing on the employment figures for June, due Thursday, for signs that a healthy labor market may drive wages and consumer prices higher. That could prompt the Fed to raise interest rates later in the year.

Analysts say the fact that interest rates in the United States are higher than those in Japan and Germany is behind the dollar's recent strength. Japan's discount rate is at 0.5 percent, while Germany's securities repurchase rate is at 3 percent.

The Fed last raised rates March 25.

Against other major currencies, the dollar rose to 5.9080 French

FOREIGN EXCHANGE

francs from 5.8860. It rose to 1.4701 Swiss francs from 1.4660.

The British pound rose to its highest level against the mark in more than five years, meanwhile, after tax increases in the British budget released Wednesday left intact expectations that rates in that country were set to rise.

In late New York trading, the pound jumped to 2.9401 DM from 2.8985 DM. It also rose to $1.6755 from $1.6587.

"Sterling is set for further sharp gains on the back of the budget, which won't change the need for rate rises," said Michael Burke, an economist at Citibank in London.

Very briefly:

Nike Earnings Estimates Reduced

BEAVERTON, Oregon (Bloomberg) — Nike Inc. shares fell 62.5 cents to $57.375 as the company's plans to focus on less-expensive shoes and expectations of higher costs prompted analysts to reduce earnings estimates for the coming year.

The company, which posted a 16 percent rise for its fourth-quarter earnings late Tuesday, also reported an increase in orders for future deliveries of its shoes and clothing that was lower than some analysts and investors expected.

EMI Buys Stake in Motown Firm

NEW YORK (NYT) — EMI Music Publishing said it had paid $132 million to Berry Gordy Jr. for a half-stake in the company that owns the rights to classic Motown songs.

The publishing catalog, which includes hit songs from such performers as the Temptations and Diana Ross and the Supremes, was owned by Jobete Music Co. and its sister company, Stone Diamond Music Corp. Both companies are owned by Mr. Gordy and his sister, Esther Edwards.

- **Raytheon Co.** got U.S. approval for its $2.95 billion purchase of **Texas Instruments Inc.**'s defense electronics unit by agreeing to sell part of TI's computer chip business, according to people familiar with the case.
- **General Motors Corp.** blamed slowing demand for its older models and two strikes for a 14 percent decline in June sales of cars and light trucks in the United States.
- **Rockwell International Corp.**'s chairman and chief executive, Donald Beall, is retiring after nearly two decades, to be succeeded by his No. 2, Don Davis Jr, it was announced in Seal Beach, California.
- **Compaq Computer Corp.** has approved a 5-for-2 split of its stock, hoping to make shares more affordable by dropping them into the $40 range. *Bloomberg, AP*

STORES: *Revamping of Merchandise Draws Hispanics*

Continued from Page 13

At Sears, getting the right mix of dresses, bras and kitchen aids on the shelves rests on the shoulders of the company's buyers, who often are of Hispanic descent.

District merchandising teams work with corporate headquarters to purchase for individual markets, typically groupings of 10 to 12 stores. All the orders come from the headquarters, so vendors are not forced to deal with a dozen different buyers, and Sears is able to maintain its buying leverage.

Sears is happy with the performance of the stores in the Los Angeles area that have been restocked to appeal to Mexican and Mexican-American shoppers. But what Sears and other retailers must guard against is stocking each Hispanic-oriented store in exactly the same way.

A middle-class Cuban shopper in Miami, for example, probably is looking for a different Saturday night dress than that sought by a Los Angeles immigrant from a small farm town in Mexico or a student of Puerto Rican background who has lived in New York all her life.

In an effort to perfect their stock, many retail executives are trying to tweak each store, region by region — a sort of micro-micro assortment.

"Southern Californian Mexican-American is very different from a San Antonio Mexican-American," said Beverly Anderson, a merchandise manager at J.C. Penney. "It becomes very complex."

FED: *Stocks Rise as Rates Stay Put*

Continued from Page 13

corded productivity gains came from technological advances, a situation that seems absurd to anybody who remembers living in a world without fax machines.

Mr. Nakamura said 1978 was a watershed year. He found that the traditional measures became ineffective because of changes that became apparent around that time. Among these, he said, were the beginning of deregulation and changes in retailing that led to mismeasurements of consumer prices.

An example of both these effects, he said, was in commercial airline fares. Before the aviation industry was deregulated, most routes had only one round-trip coach fare and most travelers paid it. Since then, he said, the full coach fare has risen at an annual rate of about 9 percent, but discount fares have risen at only about a 2 percent rate. The consumer price index tracks only the full fares, but Mr. Nakamura said that now only about 7 percent of miles flown are at the full rates, so the cost of an average flight is far lower than the inflation data suggest.

Other changes that began to occur in the late 1970s, he said, were that personal computers "began entering the business community in substantial numbers" along with price scanners in retail stores and the subsequent use of electronic pricing information by retailers. This allowed for a wide variety of prices to be charged, but government price reporters were not equipped to react to the changed environment.

Mr. Nakamura said his data on stocks were not precise, but technological advances were providing added benefits to the value of corporations beyond the increased sales and profits generated by strong economic growth. Computers, for example, make mundane corporate assets such as archived documents more valuable, he said.

Another benefit of computers, Mr. Nakamura said, is that as their ease of use rises and they appear on more desktops, workers who work had been relatively low level are able to accomplish more complex tasks.

This technological enhancement of corporate assets is one reason U.S. stock prices have scored double-digit percentage advances for each of the last three years, he said, far outpacing even his torrid estimate of economic growth.

BOEING: *EU Demands Concessions to Accept Merger*

Continued from Page 1

require structural remedies to antitrust concerns rather than allowing the commission to monitor corporate behavior.

Regardless of the dearth of aircraft orders for McDonnell Douglas in recent years, the commission estimates that the company has supplied 24 percent of all aircraft of more than 100 seats in service around the world.

That is more than Airbus Industrie, the European consortium that is the only non-American competitor, and would strengthen Boeing's clout by giving it 84 percent of the aircraft industry's installed base, officials here say.

Commission officials have not specified how Boeing should address the size issue, but sources have hinted at possible divestments of spare-parts or maintenance businesses.

The commission also wants Boeing to guarantee to make patents and other intellectual property available to Airbus and other competitors.

The commission is expected to rule on the merger July 23, although it could take until July 31.

■ Delay on BA-AA Deal

The European Commission is unlikely to rule before September on British Airways's planned cooperation deal with AMR Corp.'s American Airlines, Reuters reported Wednesday, quoting officials.

Antitrust officials from the EU's 15 members plan to discuss the issue on July 23, meaning final clearance is likely to slip into September.

AMEX

Wednesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	276	18½	17⅞	18⅛	+⅛
ARC	879	4⅜	4⅛	4⅛	+⅛
ARM Fn n	1938	20⅜	19⅞	20	—
ATT Fd	102	93⅞	93	93⅞	+⅞
AVIC Gp n	377	3⅛	3	3⅛	-⅛
Aerosn	120	12	11⅞	12	—
AirWat	394	3⅞	3⅝	3⅞	+⅛
Alrcoa	116	2⅞	2⅝	2¾	+⅛
Amngd s	119	8⅝	8½	8⅝	-⅛
AHoogen	160	16⅞	16⅛	16⅞	+⅛
Alfin	140	⅜	⅜	⅜	—
AllLving n	890	22¼	22	22	-⅛
Amdhl	4460	9⅝	9⅜	9⅝	+⅛
AExpl	2300	15	14⅝	14⅞	-⅛
Am List	266	29⅞	29⅜	29⅝	—
AmerPac	150	1⅛	1⅛	1⅛	+⅛
Ampex	2563	5⅛	5½	5⅜	-⅛
Andrea	136	12⅞	11⅞	12⅞	+⅝
AngPcr	176	2⅛	2⅜	2⅞	-⅛
AppleOr n	179	9⅝	9	9⅝	+⅛
AstLving	255	27⅞	27⅜	27⅞	+⅛
Astrotc	111	6⅛	6	6	-⅛
AltTele	367	12	11⅞	11⅞	-⅛
Audvox	889	7¼	7	7⅛	-⅛
Autotote	1783	1⅛	1⅜	1⅛	+⅛
Azco	305	1⅛	1⅛	1⅛	—
BAT Ind	774	18⅝	18½	18⅝	+⅛
BadgrM g	122	35½	33	35½	+2⅛
Bally's	562	19⅞	18⅞	19⅞	+⅞
BarrLab s	617	43⅛	42⅞	42⅞	-⅛
Bayou	468	3⅞	3⅝	3⅝	+⅛
BeardCo	148	5	4⅞	4⅞	—
BemaGold	1735	6⅞	6⅝	6⅝	-⅛
BestPr	131	3½	3⅜	3⅜	—
BioR A	165	26⅛	26	26⅛	-⅛
BRB109	168	11⅝	11⅜	11⅜	—
BallTch n	381	5⅝	5⅜	5⅝	+⅛
Bostnld	133	18⅛	18⅛	18⅝	+⅛
Bowmr	202	2⅞	2½	2½	-⅛
Bowne	269	34⅞	34⅛	34½	+⅛
Brandyw s	132	20½	20⅛	20⅛	-⅛
Brscn g	159	24¾	24½	24⅞	+½
Buffton	929	2⅛	2⅛	2⅛	-⅛
BABGlb n	334	8⅜	8⅛	8⅝	-⅛
CE Frnk g	285	5½	5⅜	5½	+⅛
CFX Cp	170	19⅞	19⅝	19½	-⅛
CIM	478	7⅞	7⅛	7⅞	+⅛
Cablvsn	1139	55⅞	54⅞	55⅞	+1
Cablvs pf	276	27⅞	27	27⅞	+⅞
CagleA	133	16⅜	16⅛	16⅜	+⅛
Calton	200	⅞	⅞	⅞	+⅛
Cambior	316	11⅞	11½	11⅞	+⅛
CanOccI g	6335	23⅞	22½	23⅞	+⅞
CanyonRs	164	2⅛	2⅛	2⅛	+⅛
Cardiotch	191	1⅛	1⅜	1⅜	+⅛
Careatx n	287	25⅛	24⅞	25⅛	+⅛
CelSci	230	3⅛	3⅜	3⅞	-⅛
CFCda g	664	4⅞	4⅝	4⅞	-⅛
ChadTh	117	9½	9⅛	9⅛	+⅛
Chief	1997	21⅞	20⅞	21⅛	-⅛
Citadel	174	3	2⅞	3	—
Cognitrn	331	12⅞	12⅛	12¼	—
ColLb	922	16⅜	15⅞	15⅞	-⅛
Comforce	1273	6⅞	5⅞	6⅛	+⅛
CmdrAp	177	5⅞	5⅛	5⅞	-⅛
CmptAsn	279	14	13½	13⅞	-⅛
Cmptrc	119	1⅛	1½	1½	-⅛
CoreMatl	228	3½	3⅜	3⅞	+⅛
Cross	205	12⅝	12⅛	12⅛	+⅛
CrnCP B	164	15⅛	14⅞	15⅛	+⅛
ecCrowL	170	⅛	⅛	⅛	—
CrusAm	165	5⅞	5⅜	5⅞	-⅛
Crystl g	4207	5⅛	4⅞	4⅞	-½
Cybexlnt	132	11⅛	11⅛	11⅞	+⅛
Cycomm	194	2⅝	2½	2⅝	+⅛
DI Ind	5551	5	4⅝	4⅞	+⅛
DakotaM	1034	1	⅞	1	—
DanHd	330	8⅛	8	8⅛	+⅛
Datamet	139	1⅞	1½	1½	—
Davco	133	11⅛	11	11⅛	-⅛
DaytonMn	423	3⅛	3⅛	3⅛	-⅛
DevnE	356	38⅞	38⅛	38	-⅛
DigRec	96	10⅛	10⅛	10⅛	-⅛
DigitCT	1034	1⅛	⅞	1	-⅛
DigPwr n	380	10⅛	10⅛	10⅛	+⅛
DimTk	129	11⅞	11⅛	11⅞	-⅛
Drewind s	127	12⅞	12⅞	12⅞	-⅛
DryUtv	380	10⅛	10	10	-⅛
EZ Serv	108	⅛	⅛	⅛	—
EchoBay	3023	5⅞	5⅝	5⅞	-⅛
Edisto	441	9⅛	9⅛	9⅛	-⅛
ElPasoE	1802	7	6⅞	6⅞	-⅛
EmerR	1873	⅜	⅜	⅜	—
EmpCar	187	2⅞	2½	2⅞	+⅛
EngyRsh	245	9⅜	8⅞	9⅜	+⅛
EnzoBI	727	15⅞	15⅛	15½	-⅛
Equimer n	486	14	13⅞	13⅞	-⅛
FemHltb	575	4	3⅞	3⅞	+⅛
FinFd	931	22⅞	22⅛	22⅞	—
FlAust	871	9	8⅞	9	+⅛
FAusPr	1801	9⅛	9	9⅛	-⅛
Fiber	159	14	13⅞	13⅞	+⅛
FstldA n	273	18⅞	18⅛	18⅞	-⅛
FlaRck	224	41	40⅞	41	+⅛
FordLb	3494	43⅛	42⅜	43⅛	+1⅛
FortPet	223	2⅛	1⅞	1⅞	-⅛
FreqEl	1284	15½	14⅝	15⅜	+1⅛
FriedAdj	140	2⅛	2⅛	2⅛	—
GST Tele	3098	11	9⅞	10⅞	+1⅛
GayKa	981	8⅛	8⅛	8⅛	-⅛
Galcor s	295	14⅛	13⅞	14⅛	+⅛
GenDr	925	19⅛	17⅞	17⅞	-⅛
GetchGd	138	35⅛	34⅞	35	—
GlenFd	795	23⅞	22⅞	23⅞	+⅞
Glotel	273	18⅞	18	18⅛	-⅛
GlobSml	197	14	13⅞	14	+⅛
Globlnk	127	3⅞	3⅞	3⅞	-⅛
GoVideo	612	1⅛	1⅛	1⅛	-⅛
GldStar	598	8⅛	7⅞	7⅞	-⅛
GreyLdL	1476	4⅛	4⅛	4⅛	-⅛
GrSinec	202	3⅛	3⅛	3⅛	+⅛
Halsey	383	4⅛	4⅛	4⅛	-⅛
HalterM n	1059	24⅞	23⅞	24⅞	+⅞
HanvOr	648	9	9⅛	9	+⅛
HanvDir	2093	1⅞	1⅞	1⅞	+⅛
Harken	8869	6⅛	6⅛	6½	+⅛
Hasbro s	7241	29⅞	29⅛	29⅞	+⅛
HawAir	722	4⅞	4⅞	4⅛	—
HlthPro	1870	⅜	⅜	⅜	-⅛
Heartl	1405	1⅛	1⅛	1⅛	—
Hecla	100	22⅛	22⅛	22⅛	+⅛
Highldnc	114	13	12⅞	13	+⅛
HomeVll n	1087	17⅛	17⅛	17⅛	—
Hondo	337	6⅛	6⅛	6⅛	-⅛
HovnEn	122	6⅛	6⅛	6⅛	—
HungTel	99	9⅛	8⅞	9⅛	+⅛
IGI	190	4⅛	4	4	+⅛
Identix	632	11⅞	11⅛	11⅞	+⅛
ImpCHlg	258	27⅛	26⅞	26⅞	-⅛
ImpHly	105	12⅛	11⅞	11⅞	+⅛
ImpOil g	211	51⅛	51⅛	51⅛	+⅛
Instron	107	15⅛	14⅞	14⅞	—
IntegSys	209	5⅞	4⅞	5⅛	+⅛
IntCPd	908	6⅛	5⅞	6	+⅛
InterDig	678	5⅞	5⅝	5⅞	-⅛
ecIntrhe	429	⅛	⅛	⅛	-⅛
Intmagn	121	11⅛	11	11	-⅛
IntlAlrS n	136	6⅛	6⅛	6⅛	-⅛
Intrysto	180	1⅛	1⅛	1⅛	-⅛
IonLaser	120	8	7⅞	7⅞	-⅛
IvaxCp	3136	11⅞	11⅛	11⅞	-⅛
JTS Corp	38652	⅝	⅝	⅝	-⅛
JanBell	165	2⅛	2⅛	2⅛	+⅛
KatzM	385	6⅛	6⅛	6⅛	-⅛
Keane s	1775	54⅛	53½	54⅛	+⅛
KeyEng	2975	19⅞	18⅞	19⅞	+1
KeystHer	100	31⅛	31⅛	31⅛	-⅛
KogrEq	190	18	17⅞	18	—
LXRBiot	233	2⅛	2⅛	2⅞	-⅛
LaBarg	182	6⅛	6	6	—
LeathFac	150	⅞	⅞	⅞	+⅛
MAI Sys	434	3⅞	3⅞	3⅞	-⅛
MSR	155	1⅛	1	1⅛	-⅛
MagnHunt	399	6⅛	6	6⅛	+⅛
MalibuEnt	247	5⅛	4⅞	5	-⅛
Marlton	117	4⅛	3⅞	3⅞	-⅛
MaxmPh n	268	10⅞	10⅛	10⅞	+⅛
Maxxam	283	46⅞	46⅞	46⅞	-⅛
MeasSpd	154	3⅞	3⅞	3⅞	+⅛
MedcR	430	10	9⅞	9⅞	-⅛
Media	230	36⅞	36⅞	36⅞	—
MediaLog	369	1⅞	1⅞	1⅞	—
Medig	129	8⅞	8⅛	8⅛	—
MedRax	1426	⅞	⅞	⅞	—
Meteor n	580	7⅛	6⅞	7⅛	+⅛
Metrika n	262	15⅞	15½	15½	—
Metromdia	3537	13	12⅞	12⅞	-⅛
MidalRy	235	11⅞	11½	11⅞	+⅛
MidcstE n	646	16⅞	16⅛	16⅞	+⅛
Millennia	338	3½	3⅜	3½	+⅛
MorgnF	132	½	⅜	⅜	—
MS TMX	160	49½	48½	49⅛	+1
MSNik 97wt	236	5⅛	5½	5⅛	+⅛
Nanvel	1161	9⅞	9⅛	9⅞	—
MooyAZ	426	12⅞	12⅛	12⅞	+⅛
NTNCom	1333	4⅞	4⅞	4⅞	—
Nabors	9183	26⅞	25⅞	26⅛	+⅛
NatBev s	99	10⅛	10⅛	10⅛	-⅛
NatGsO	171	8⅞	8⅛	8⅞	-⅛
NtPoint	403	8⅛	7⅞	8	+⅛
NY Times	2475	52½	50½	52⅞	+1⅛
Nasdl00 n	616	19⅞	19	19⅞	+⅞
Nordic wt	100	5⅛	5⅛	5⅛	—
Norex s	145	15⅞	15½	15½	-⅛
NA Vacc	351	20	19⅞	20	+½
NorestBc	198	14½	14½	14½	—
Novona	315	4½	4⅞	4⅞	+⅛
Noter p	186	2	1⅞	1⅞	—
Numac	187	4⅞	4⅞	4⅞	—
OSullvnC	159	8⅞	8⅞	8⅞	—
OnealMull	443	⅛	⅛	⅛	+⅛
Oncor	366	4	3⅞	3⅞	-⅛
Oncormed	334	6⅞	5⅞	6⅞	+⅞
Organgn s	223	19⅛	18⅞	18⅞	-⅛
PC Quote	181	2⅛	2⅛	2⅛	-⅛
PLC Sys	1021	21½	20½	21⅞	+⅞
PacesC	1127	13	12⅞	12⅞	-⅛
PegGld	1034	6⅞	6	6⅛	-⅛
PeopleTel	4492	3⅞	3	3⅞	-⅛
PerinC	125	7⅛	7⅛	7⅛	+⅛
PhxNet	2029	3⅞	3⅞	3⅞	-⅛
Phonetel	262	2⅞	2⅞	2⅞	—
PierRsc	127	15⅛	15⅛	15⅛	-⅛
Polymed	256	8⅛	8⅛	8⅛	-⅛
Polyph	2497	1⅛	⅞	⅞	-⅛
PrpdLg	1858	23⅞	22⅞	22⅞	-⅛
PrcCm	184	8⅞	8½	8⅞	-⅛
Prdcall s	150	9	8⅞	8⅞	-⅛
ProActiv n	134	⅜	⅜	⅜	-⅛
PropCT s	532	6⅛	6⅛	6⅛	-⅛
PsycCp	492	7⅛	7	7⅛	—
PIGMT3	256	12⅞	12½	12⅞	—
PutNY	98	13⅞	13⅞	13⅞	—
RF Pow	788	4⅞	4⅞	4⅞	+⅞
RaeGold	766	⅜	⅜	⅜	—
Relac	942	11⅞	9½	11⅞	+1⅞
RegalBel	473	27	26⅞	26⅞	-⅛
RobertsPh	647	11⅞	11	11⅞	-⅛
Rotonic	107	1⅛	1⅛	1⅛	-⅛
RoyalO g	1818	2⅛	2⅛	2⅛	-⅛
SaboPet s	959	15⅞	13⅞	15⅞	+1⅞
SogaCm s	149	18⅞	18⅞	18½	—
SFeGa pf	236	⅛	⅛	⅛	—
Sellcare n	2275	13½	11⅞	12⅞	+⅞
ShefldMd	108	3	2⅞	3	+⅛
SilverFos	110	2	1⅞	2	+⅛
SmtBis	378	10⅞	10⅛	10⅞	—
Softnet	388	5⅞	4⅞	5⅞	-⅛
ecSeligen	307	⅜	⅜	⅜	—
SPDR	18729	90⅞	89⅞	90⅛	+1½
SP Mid	195	56⅞	56⅛	56⅞	+⅞
StarHous	159	17	16⅛	16⅞	+⅛
StevtnA	139	1	⅞	1	—
StillwlM	493	21½	21	21⅞	-⅛
StoneSR	135	21⅞	21⅛	21⅞	+⅛
SubstAbus	1505	1⅛	1⅛	1⅛	+⅛
SumitTx	121	11⅛	11⅛	11⅞	-⅛
TSF	1338	36⅛	36	36	—
Team	118	2⅞	2⅞	2⅞	—
TelDis	1891	38	36⅛	37⅞	-⅛
TexBiotch	1765	5⅞	5	5⅞	+⅛
TexBi wt	724	1⅛	1⅛	1⅛	+⅛
Thermed	688	16⅞	16	16⅞	-⅛
ThCardio	1312	25½	25	25⅞	+⅛
TmEco s	233	15⅞	15⅛	15⅞	-⅛
ThrmFib	262	10⅞	10⅛	10⅞	-⅛
ThrInst	759	31⅞	31½	31⅞	-⅛
ThrOptx	97	11⅞	11⅞	11⅞	-⅛
ThrSpect	1029	11⅞	11⅛	11⅞	-⅛
ThrmTer	503	11⅞	11⅞	11⅞	—
Thrmolse	2051	13⅞	12⅞	12⅞	—
Thmwrd	182	2	1⅞	1⅞	-⅛
TopSrce	3481	1⅞	1½	1⅞	+⅛
TotlPet	494	10⅛	10⅛	10⅛	-⅛
TWA	13348	8	7½	7⅞	-⅛
Transmnl	143	19⅛	18⅞	19	—
Trpwld n	358	12⅞	11⅞	12⅛	+⅛
TriteaCm	246	5⅞	5⅞	5⅞	—
TubMex	7938	20⅛	19⅞	20⅛	+⅛
UTI Eng	401	50⅛	47½	50⅛	+2⅞
Unilab	1254	1⅞	1⅛	1⅞	—
Unimar	175	5	4⅞	5	+⅛
UnivMat	528	6⅞	6⅞	6⅞	-⅛
UFoodA	107	2⅞	2⅞	2⅞	—
USBiosci	356	9⅞	9⅛	9⅞	+⅛
US Cell	252	29⅞	29⅛	29⅞	+⅛
VTSel	329	11⅞	11⅞	11⅞	+⅛
Vaccor	307	3⅞	3⅞	3⅞	-⅛
Viacom	2143	30⅞	29⅞	30⅞	+⅞
ViacB	16831	30⅞	29⅞	30⅞	+1⅛
Viac wtC	1000				
Viac wtE	495	1⅛	1⅛	1⅛	-⅛
VisioG g	3169	1	⅞	⅞	-⅛
WRIT	679	18⅞	17⅞	18⅞	+⅛
WashSvg	211	5⅞	5⅞	5⅞	—
Webcoind	272	6	5⅞	6	—
Wellsfrd n	234	11⅞	10⅞	11	-⅛
WIRET	518	13⅞	13	13⅞	-⅛
WirelssT	872	11⅞	10⅞	11⅞	+⅞
WEBAstla	96	11⅞	11⅞	11⅞	+⅛
WEBCan	192	13⅞	13½	13⅞	-⅛
WEBFra	201	16	15⅞	16	-⅛
WEBGer	227	16⅞	16⅞	16⅞	+⅛
WEB Jpn	302	14⅞	14⅞	14⅞	—
WEB Mal	252	13⅞	13⅞	13⅞	-⅛
WEB Mex	443	15⅞	15	15⅞	+⅛
WEB Swi	104	21⅞	21⅞	21⅞	+⅛
WEB UK	228	17⅞	17⅞	17⅞	+⅛
XCL Ltd	1576	⅞	⅜	⅞	+⅛
Xytron	184	1⅞	1⅛	1⅞	-⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7737.03	7795.38	7697.45	7795.38	+73.05
Trans	2753.26	2789.03	2744.52	2787.86	+43.00
Util	228.92	230.97	228.25	230.97	+2.72
Comp	2384.45	2406.44	2378.61	2406.24	+27.42

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1051.87	1041.24	1048.10	1062.40
Transp.	639.59	631.61	639.59	649.43
Utilities	199.78	198.02	198.79	200.72
Finance	102.23	100.13	101.75	103.81
SP 500	893.88	884.54	891.03	904.03
SP 100	869.95	860.78	868.37	881.17

NYSE

	High	Low	Last	Chg.
Composite	471.72	466.01	471.71	+5.70
Industrials	597.34	590.31	597.34	+7.03
Transp.	425.88	419.17	425.70	+6.51
Utility	287.29	285.28	287.29	+2.01
Finance	433.47	426.69	433.45	+6.76

Nasdaq

	High	Low	Last	Chg.
Composite	1455.66	1440.42	1455.63	+17.38
Industrials	1188.91	1181.21	1188.77	+7.36
Banks	1631.93	1625.86	1631.60	+1.74
Insurance	1653.83	1646.75	1649.69	-5.76
Finance	1926.89	1918.29	1926.36	+8.70
Transp.	986.58	970.41	986.29	+16.59

AMEX

High	Low	Last	Chg.
630.05	624.87	630.05	+4.44

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.08	103.23
10 Utilities	100.14	100.47
10 Industrials	106.01	106.00

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
OfficDpt	121045	16⅜	15⅞	16⅛	+⅞
AT&T s	67940	36⅛	35	36	-⅜
LSI Log	66155	32½	28⅞	30	-1⅛
FedDS	60215	35⅞	35	35¼	-⅛
NikeB s	50346	58⅝	55⅛	57⅜	-⅝
Compaq	48427	108⅞	102	105⅛	+3⅞
PepsiCo	47356	38⅛	37⅜	38	+⅜
PhilMor s	47335	44⅜	43⅛	44	+⅛
Conseco s	45166	37¾	35⅞	37⅛	+1⅛
Valassis	42426	25½	24⅝	25¼	+1⅛
GenElec s	41270	67⅞	66⅛	67⅞	+1⅛
Motorola	39701	79⅛	76⅜	78⅛	+2⅛
McDnlds	38126	48⅞	47¾	48⅛	-⅛
Tandem	36848	21⅞	20⅞	21¼	+⅜
CocaCl	36358	70⅜	68⅞	70⅛	+1⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Ascend	205462	49⅝	45⅛	49⅛	+5⅛
Intel	158140	143⅛	139	143	+3⅞
3Com	139744	48⅛	45⅛	48⅛	+3⅛
Staples	89399	24⅜	23⅛	23⅝	-⅜
DellCpt s	75184	119⅜	117⅛	119⅜	+4⅛
Cisco	67199	70⅛	68⅞	70⅛	+2⅛
Microsft s	66326	128⅞	124⅛	128⅜	+3⅜
Oracle	58118	48⅛	47⅛	48⅛	+⅛
BostChk	52525	14⅛	13⅞	13⅞	-1⅛
NtwkG	52358	13⅛	11⅛	12⅛	-⅛
CienaCp n	49605	45⅛	44⅞	45⅛	+⅛
NextelCm	49578	20⅛	19⅞	20⅛	+⅛
Netscpe	48814	38⅛	34⅛	38⅛	+3⅛
MCI	45901	40⅛	39⅛	40	—
TSI Intl n	43985	11⅛	9⅛	11	

AMEX

	Vol.	High	Low	Last	Chg.
JTS Corp	30652	⅝	⅛	⅛	-⅛
SPDR	18729	90⅛	89⅞	90½	+1½
ViacB	16831	30⅛	29⅛	30⅛	+1⅛
TWA	13348	8	7⅛	7⅞	-⅛
Nabors	9183	26⅛	25⅛	26⅛	+⅛
Harken	8869	6⅛	6⅛	6⅛	-⅛
TubMex	7938	20⅛	19⅛	20⅛	+⅛
Hasbro s	7241	29⅛	29⅛	29⅛	+⅛
CanOccI g	6335	23⅛	22⅛	23⅛	+⅛
DI Ind	5553	5	4⅛	4⅞	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1859	1704
Declined	963	1150
Unchanged	575	537
Total Issues	3397	3391
New Highs	378	250
New Lows	13	10

Nasdaq

	Noon	Prev.
Advanced	1714	1868
Declined	1599	2202
Unchanged	2131	1667
Total Issues	5444	5737
New Highs	106	186
New Lows	68	74

AMEX

	Close	Prev.
Advanced	298	311
Declined	254	261
Unchanged	177	159
Total Issues	729	731
New Highs	60	53
New Lows	10	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	529.32	637.78
Amex	24.86	27.33
Nasdaq	592.74	589.03

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Blue Chip Value	-	.25	7-11	7-25
Pilgrim Am Bk	-	.7707	7-10	7-22
REVERSE STOCK SPLIT				
WestAmerica Corp 1 for 3 reverse split.				
INCREASED				
Goodmark Foods	Q	.06	7-15	8-1
INITIAL				
Coastal Fincl n	-	.09	7-11	7-25
Wayne Svgs&Ln	-	.155	7-10	7-25
REGULAR				
Adobe Systems	Q	.05	7-7	7-21
Am Fincl Grp	Q	.25	7-15	7-25
Bankers Corp	Q	.16	7-15	7-30
Blkrk Stratg Trm	M	.039	7-15	7-31
Bridge ViewBncp	Q	.10	7-15	8-1
CBES Bancorp	-	.10	7-8	7-21
Cathay Bncp	Q	.15	7-11	7-18
Cented Fincl	Q	.09	7-18	8-1
Dreyfus CA Muni	M	.05	7-15	7-29
Dreyfs Strat Gv	M	.0625	7-15	7-29
Excelsior Inco	Q	.26	7-18	7-25
Kemper Hi Inco	M	.075	7-15	7-31
Kemper Interm Gv	M	.055	7-15	7-31
Kemper MultiMkt	M	.0725	7-15	7-31
Kemper Muni Inco	M	.0725	7-15	7-31
Kemper Strat Inco	M	.15	7-15	7-31
Kemper Strat Muni	M	.15	7-15	7-31
Mass Hlth & Ed	M	.062	7-15	7-31
McGrath RentCorp	Q	.08	7-3	7-16
Mentor Inco Fd	M	.07	7-15	7-31
Rockwell Intl	Q	.29	8-18	9-8
UnionBkcorp Inc	Q	.035	7-18	7-25

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

July 2, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	246½	242½	245¾	-2½	29,752
Sep 97	236½	232¼	234¾	-1¼	59,033
Dec 97	236½	231¼	234¾	-2	141,059
Mar 98	244¼	239¼	242½	-2	22,375
May 98	249½	245¼	248½	-2½	2,951
Jul 98	252½	248¾	251¾	-2	6,820
Sep 98	247	245	246	-½	318

Est. sales N.A. Tue's. sales 72,000
Tue's open int 1 off 272017

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Jul 97	247.00	235.00	237.10	-7.10	11,887
Aug 97	225.50	215.50	218.80	-3.30	23,797
Sep 97	208.50	203.50	205.30	-0.70	16,704
Oct 97	198.60	194.50	194.90	-3.60	14,380
Dec 97	192.80	187.30	187.30	-4.00	33,721
Jan 98	191.50	186.70	186.70	-2.10	3,970

Est. sales N.A. Tue's. sales 40,000
Tue's open int 1 off 106800

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Jul 97	21.75	21.37	21.63	+0.21	5,087
Aug 97	21.92	21.50	21.76	+0.18	27,456
Sep 97	22.10	21.70	21.93	+0.20	13,440
Oct 97	22.15	21.78	21.99	+0.21	15,108
Dec 97	22.35	21.91	22.05	+0.14	42,272
Jan 98	22.40	22.10	22.10	+0.07	4,699

Est. sales N.A. Tue's. sales 25,000
Tue's open int 1 off 111621

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	740	703½	711	-21	12,207
Aug 97	691½	663	670¼	-10¾	34,161
Sep 97	620	607	607½	-4½	12,259
Nov 97	597	585	585½	-4	65,135
Jan 98	597½	589½	589¾	-4¼	11,377

Est. sales N.A. Tue's. sales 100,000
Tue's open int 1 off 137508

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	330	321½	324	+1½	7,079
Sep 97	334½	331	332½	+1	39,827
Dec 97	347	344	345¼	+1¼	30,770
Mar 98	355	353	354	+1½	4,789

Est. sales N.A. Tue's. sales 24,000
Tue's open int 1 off 85398

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	64.45	63.80	63.85	-0.77	42,901
Oct 97	67.77	67.10	67.17	-0.70	24,738
Dec 97	70.70	70.07	70.17	-0.60	14,582
Feb 98	71.82	71.32	71.47	-0.45	6,989
Apr 98	73.75	73.35	73.42	-0.42	3,184
Jun 98	70.05	69.70	69.70	-0.40	1,978

Est. sales N.A. Tue's. sales 10,976
Tue's open int 94,412 up 335

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	81.40	80.55	80.62	-0.82	11,061
Sep 97	80.82	80.00	80.15	-0.77	2,904
Oct 97	80.80	80.10	80.12	-0.77	3,854
Nov 97	82.05	81.35	81.45	-0.67	2,729
Jan 98	82.55	81.80	81.95	-0.67	1,265
Mar 98	82.60	81.80	81.90	-0.65	570

Est. sales N.A. Tue's. sales 5,180
Tue's open int 22,609 up 731

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	83.50	82.90	83.25	-0.40	6,123
Aug 97	81.25	80.40	81.00	-0.35	12,715
Oct 97	73.70	72.85	73.45	-0.25	8,112
Dec 97	70.25	69.70	70.12	-0.17	4,823
Feb 98	68.55	67.90	68.35	-0.45	1,916

Est. sales N.A. Tue's. sales 11,713
Tue's open int 36,042 up 678

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	83.90	81.70	83.05	-1.62	2,027
Aug 97	83.59	81.80	82.12	-2.67	3,561
Feb 98	72.75	70.50	71.67	-1.82	622

Est. sales N.A. Tue's. sales 3,367
Tue's open int 6,233 up 93

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Jul 97	1651	1575	1587	-71	126
Sep 97	1682	1610	1614	-71	40,736
Dec 97	1723	1658	1661	-69	22,172
Mar 98	1750	1687	1693	-67	21,639
May 98	1724	1713	1713	-67	7,679
Jul 98	1770	1731	1731	-67	1,120

Est. sales N.A. Tue's. sales 13,549
Tue's open int 108,463 up 847

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	196.00	190.00	196.00	-8.50	703
Sep 97	175.00	170.00	172.35	-2.90	11,080
Dec 97	155.50	151.00	152.50	-1.85	5,024
Mar 98	145.00	140.50	142.50	-0.75	2,396
May 98	138.00	138.00	138.00	-0.75	932

Est. sales N.A. Tue's. sales 7,067
Tue's open int 20,642 up 58

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	11.26	11.03	11.05	-0.19	98,363
Mar 98	11.33	11.19	11.21	-0.10	41,475
May 98	11.24	11.10	11.10	-0.12	8,882
Jul 98	11.13	10.99	11.00	-0.12	3,844

Est. sales N.A. Tue's. sales 21,937
Tue's open int 154,483 up 4170

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	75.00	73.75	74.55	+0.80	1,615
Sep 97	77.90	75.90	76.60	+0.70	19,455
Nov 97	80.50	78.60	79.40	+0.80	6,123
Jan 98	83.50	82.05	82.30	+0.55	2,479

Est. sales N.A. Tue's. sales 3,500
Tue's open int 1 off 31763

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jul 97	331.80	331.30	331.30	-2.70	3
Aug 97	335.50	332.10	332.30	-2.80	102,405
Sep 97			333.30	-2.90	
Oct 97	334.10	334.10	334.50	-2.90	8,581
Dec 97	339.80	336.50	336.70	-3.00	30,034
Feb 98	340.50	339.00	339.00	-3.00	9,358
Apr 98	343.00	341.20	341.20	-3.10	4,839
Jun 98	345.20	343.60	343.60	-3.20	7,923
Aug 98	347.60	346.10	346.10	-3.20	746

Est. sales N.A. Tue's. sales 42,000
Tue's open int 1 off 19340

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	113.70	110.70	113.60	+1.45	7,133
Aug 97	112.70	109.60	112.60	+1.85	3,563
Sep 97	112.45	108.50	111.90	+1.85	23,443
Oct 97	110.05	108.00	110.05	+2.00	1,249
Nov 97			109.50	-2.25	1,206
Dec 97	108.90	106.00	108.60	+2.05	6,338
Jan 98	107.20	105.00	107.20	+2.25	649
Feb 98			106.00	+2.05	545
Mar 98	105.70	103.80	105.10	+2.05	1,810

Est. sales N.A. Tue's. sales 8,500
Tue's open int 1 off 49308

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Jul 97	464.50	460.10	460.10	-3.20	3,730
Sep 97	470.00	464.00	464.50	-3.30	57,383
Dec 97	475.50	471.00	471.40	-3.30	13,970
Jan 98			473.30	-3.30	18
Mar 98			478.30	-3.30	8,979
May 98	486.50	482.50	482.50	-3.30	2,855
Jul 98			486.70	-3.30	1,986
Sep 98			491.00	-3.30	685

Est. sales N.A. Tue's. sales 14,000
Tue's open int 1 off 91276

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jul 97	420.00	415.00	417.20	-3.70	2,254
Oct 97	415.00	403.00	406.70	-5.20	11,255
Jan 98	402.00	398.70	398.70	-5.20	1,842

Est. sales N.A. Tue's. sales 2,118
Tue's open int 1 off 15781

LONDON METALS (LME) Dollars per metric ton

			Close		Previous	
Aluminum (High Grade)						
Spot	1583½	1584½	1585.00	1586.00		
Forward	1606.00	1607.00	1607.00	1608.00		
Copper Cathodes (High Grade)						
Spot	2509.00	2511.00	2537.00	2542.00		
Forward	2377½	2378½	2404.00	2405.00		
Lead						
Spot	617.00	618.00	626.00	627.00		
Forward	629.00	630.00	638.00	639.00		
Nickel						
Spot	6795.00	6805.00	6820.00	6830.00		
Forward	6900.00	6910.00	6930.00	6940.00		
Tin						
Spot	5485.00	5495.00	5490.00	5500.00		
Forward	5535.00	5540.00	5543.00	5548.00		
Zinc (Special High Grade)						
Spot	1450.00	1452.00	1439½	1439½		
Forward	1455.00	1457.00	1440½	1441½		

Financial

	High	Low	Close	Chge	Opint

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Sep 97	94.82	94.80	94.81	+0.01	7,975
Dec 97	94.64	94.64	94.64	+0.01	570
Mar 98			94.52	+0.02	4

Est. sales N.A. Tue's. sales 1,461
Tue's open int 8,499 up 476

5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	106-21	106-13	106-19	+ 07	210,671
Dec 97			106-01	+ 07	1,486
Mar 98			-01		

Est. sales N.A. Tue's. sales 74,000
Tue's open int 1 off 213835

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	108-16	108-09	108-14	+ 05	330,480
Dec 97	108-04	108-01	108-03	+ 05	4,831
Mar 98	107-23	107-21	107-23	+ 05	1

Est. sales N.A. Tue's. sales 94,887
Tue's open int 1 off 331711

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Latest	Chge	Opint
Sep 97	112-04	111-22	112-02	+ 12	422,523
Dec 97	111-22	111-11	111-22	+ 12	26,524
Mar 98			111-12	+ 12	2,397
Jun 98			111-01	+ 12	807

Est. sales N.A. Tue's. sales 345,000
Tue's open int 1 off 443139

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jul 97	94.32	94.31	94.32		17,773
Aug 97	94.29	94.27	94.28	+0.01	19,793
Sep 97	94.25	94.24	94.25	+0.01	6,346

Est. sales N.A. Tue's. sales 7,730
Tue's open int 49,456 off 1040

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	102.17	101.84	102.02	+0.14	260,111
Dec 97	101.18	100.97	101.10	+0.13	8,354

Est. sales: 187,500. Prev. sales: 141,409
Prev open int: 268,465 up 7,380

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	115-05	114-18	114-25	+0-05	169,264
Dec 97	114-14	114-10	114-12	+0-06	0

Est. sales: 70,646. Prev. sales: 54,643
Prev. open int.: 169,264 up 4,278

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	129.88	129.50	129.66	+ 0.24	0
Dec 97	98.34	98.14	98.28	+ 0.26	3,070
Mar 98	97.54	97.54	97.68	+ 0.26	0

Est. sales: 163,416.
Open int.: 3,070 down 200,186.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	135.20	134.39	135.02	+0.62	101,115
Dec 97	107.30	107.00	107.32	+0.48	580

Est. sales: 70,676. Prev. sales: 44,351
Prev. open int.: 101,695 up 1,627

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jul 97	94.23	94.18	94.22	+0.01	43,450
Aug 97	94.19	94.18	94.19	+0.01	14,065
Sep 97	94.16	94.13	94.15	-0.01	568,417
Dec 97	93.97	93.95	93.96	+0.01	440,489
Mar 98	93.88	93.85	93.88	+0.01	301,450
Jun 98	93.77	93.73	93.76	+0.02	247,157
Sep 98	93.66	93.63	93.65	+0.02	208,006
Dec 98	93.55	93.52	93.54	+0.02	145,696
Mar 99	93.53	93.50	93.52	+0.02	111,249
Jun 99	93.49	93.46	93.48	+0.02	87,430
Sep 99	93.46	93.43	93.44	+0.02	74,363
Dec 99	93.38	93.36	93.37	+0.03	67,291

Est. sales N.A. Tue's. sales 435,037
Tue's open int 2,463,521 up 18761

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Sep 97	1.6760	1.6460	1.6722		53,687
Dec 97	1.6700	1.6400	1.6674		602
Mar 98			1.6626		2

Est. sales N.A. Tue's. sales 13,150
Tue's open int 54,291 off 1564

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Sep 97	.7313	.7270	.7296		39,856
Dec 97	.7350	.7325	.7333		2,597
Mar 98			.7364		542

Est. sales N.A. Tue's. sales 3,422
Tue's open int 43,224 up 617

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Sep 97	.5769	.5727	.5735		91,715
Dec 97	.5782	.5765	.5774		960
Mar 98	.5832	.5808	.5813		227

Est. sales N.A. Tue's. sales 22,785
Tue's open int 93,002 up 4160

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Sep 97	.8846	.8788	.8826		48,533
Dec 97	.8955	.8944	.8942		1,103
Mar 98			.9060		107

Est. sales N.A. Tue's. sales 11,620
Tue's open int 49,743 off 4017

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Sep 97	.6895	.6842	.6864		41,432
Dec 97	.6941	.6924	.6937		985
Mar 98			.7012		153

Est. sales N.A. Tue's. sales 14,853
Tue's open int 42,570 up 1921

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Sep 97	.12247	.12170	.12182		20,340
Dec 97	.11820	.11760	.11762		10,113
Mar 98	.11380	.11375	.11375		3,827

Est. sales N.A. Tue's. sales 5,371
Tue's open int 35,457 up 354

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	92.99	92.93	92.98	+0.05	134,737
Dec 97	92.84	92.77	92.82	+0.05	112,618
Mar 98	92.76	92.69	92.73	+0.04	86,717
Jun 98	92.75	92.67	92.71	+0.04	51,715
Sep 98	92.74	92.68	92.71	+0.03	36,636
Dec 98	92.74	92.69	92.72	+0.03	30,011
Mar 99	92.74	92.70	92.73	+0.03	21,824
Jun 99	92.75	92.70	92.73	+0.03	12,310

Est. sales: 93,890. Prev. sales: 74,449
Prev. open int.: 513,728 up 5,672

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jul 97	96.86	96.85	96.86	-0.01	4,127
Aug 97	96.84	96.84	96.86	Unch.	391
Sep 97	96.85	96.83	96.84	Unch.	283,633
Dec 97	96.76	96.74	96.75	Unch.	277,873
Mar 98	96.67	96.65	96.66	Unch.	238,594
Jun 98	96.52	96.50	96.51	+0.01	177,127
Sep 98	96.32	96.29	96.31	+0.02	151,233
Dec 98	96.05	96.02	96.04	+0.02	96,691
Mar 99	95.81	95.78	95.80	+0.02	83,998

Est. sales: 105,258. Prev. sales: 106,775
Prev. open int.: 1,469,448 up 4,731

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.58	96.55	96.57	+ 0.02	74,337
Dec 97	96.55	96.52	96.54	+ 0.02	34,005
Mar 98	96.49	96.47	96.48	+ 0.01	30,928
Jun 98	96.40	96.37	96.38	+ 0.01	26,939
Sep 98	96.26	96.23	96.24	+ 0.02	30,876
Dec 98	96.07	96.03	96.05	+ 0.02	16,772
Mar 99	95.85	95.82	95.83	+ 0.03	14,094

Est. sales: 31,193
Open int.: 250,651 up 30,852.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	93.54	93.50	93.53	+0.01	114,355
Dec 97	93.94	93.89	93.92	+0.02	82,307
Mar 98	94.22	94.16	94.20	+0.03	49,006
Jun 98	94.39	94.33	94.37	+0.04	34,226
Sep 98	94.50	94.42	94.47	+0.06	26,506
Dec 98	94.53	94.46	94.52	+0.07	12,565
Mar 99	94.49	94.43	94.48	+0.06	10,407
Jun 99	94.39	94.32	94.37	+0.06	4,698

Est. sales: 45,696. Prev. sales 61,416
Prev. open int.: 334,070 up 2,238

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	73.35	72.75	72.95	-0.60	243
Oct 97	76.05	75.65	75.90	-0.20	11,662
Dec 97	76.80	76.45	76.65	-0.18	41,801
Mar 98	78.00	77.67	78.00	-0.03	7,321
May 98	78.70	78.20	78.20	-0.44	1,478

Est. sales N.A. Tue's. sales 8,500
Tue's open int 1 off 66170

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Aug 97	56.30	54.00	54.92	-0.08	42,318
Sep 97	55.70	54.70	55.42	-0.11	20,420
Oct 97	56.30	55.50	56.12	-0.11	16,735
Nov 97	57.15	56.20	56.87	-0.11	12,854
Dec 97	57.90	57.00	57.57	-0.11	15,112
Jan 98	58.25	57.55	57.97	-0.11	12,941
Feb 98	58.35	57.70	58.02	-0.16	6,489
Mar 98	57.35	56.70	57.07	-0.16	6,144
Apr 98	56.00	55.60	55.67	-0.16	2,137

Est. sales N.A. Tue's. sales 24,705
Tue's open int 1 off 144089

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Aug 97	20.39	19.91	20.34	-0.22	90,790
Sep 97	20.38	19.92	20.34	-0.22	39,350
Oct 97	20.35	19.91	20.31	+0.22	31,063
Nov 97	20.28	19.94	20.28	+0.22	19,322
Dec 97	20.26	19.91	20.26	+0.22	40,403
Jan 98	20.26	19.99	20.26	+0.21	19,295
Feb 98	20.26	20.00	20.26	+0.21	9,402
Mar 98	20.25	19.90	20.25	+0.21	5,251
Apr 98	20.24	20.05	20.24	+0.21	4,830
May 98	20.25	19.98	20.25	+0.22	6,485

Est. sales N.A. Tue's. sales 106,467
Tue's open int 1 off 397511

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Aug 97	2.110	2.065	2.065		39,102
Sep 97	2.110	2.070	2.070		20,517
Oct 97	2.125	2.080	2.080		23,285
Nov 97	2.264	2.220	2.220		11,172
Dec 97	2.390	2.360	2.360		14,[illegible]
Jan 98	2.430	2.400	2.405		14,268
Feb 98	2.355	2.325	2.325		10,124
Mar 98	2.250	2.215	2.220		7,012
Apr 98	2.100	2.095	2.095		3,171
May 98	2.065	2.050	2.050		2,827

Est sales N.A. Tue's. sales 17,579
Tue's open int 1 off 192462

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Aug 97	59.50	58.25	59.29	+0.51	37,685
Sep 97	58.85	57.80	58.55	+0.39	10,734
Oct 97	57.40	56.70	57.25	+0.32	7,155
Nov 97	56.60	55.90	56.55	+0.30	2,484
Dec 97	56.25	55.75	56.15	+0.30	5,753
Jan 98	56.30	56.30	56.30	+0.30	3,743
Feb 98	56.75	56.70	56.70	+0.30	1,180
Mar 98			57.40	+0.25	3,276

Est. sales N.A. Tue's. sales 17,450
Tue's open int 1 off 75249

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Jul 97	167.50	166.00	167.50	-0.25	16,219
Aug 97	169.00	167.25	169.00	-0.25	15,701
Sep 97	170.50	169.00	170.50	-0.25	6,462
Oct 97	172.25	171.00	172.25	Unch	7,094
Nov 97	174.00	173.25	174.00	Unch.	4,762
Dec 97	175.25	174.00	175.25	-0.25	9,[illegible]
Jan 98	175.75	174.50	176.00	-0.50	2,[illegible]
Feb 98	175.00	173.75	174.75	-0.75	1,[illegible]

Est sales 12,850. Prev sales: 13,641
Prev open int: 72,079 up 304

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Aug 97	18.96	18.50	18.92	+0.12	67,733
Sep 97	18.99	18.59	18.97	+0.16	51,616
Oct 97	19.03	18.68	19.02	+0.16	16,709
Nov97	19.05	18.76	19.02	+0.14	10,829
Dec97	19.09	18.81	19.05	+0.13	16,614
Jan98	19.00	18.80	19.04	+0.13	10,119
Feb98	N.T.	N.T.	19.01	+0.14	4,572
Mar98	N.T.	N.T.	18.97	+0.14	2,654

Est. sales 51,500. Prev. sales 68,323
Prev open int.: 187,416 up 10,607

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Sep 97	909.25	899.75	907.80	+6.55	173,230
Dec 97	918.00	910.50	917.00	-6.05	4,896
Mar 98			920.95		1,813

Est. sales N.A. Tue's. sales 66,795
Tue's open int 180,009 up 2682

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Jul 97	2991.0	2880.0	2917.0	- 28.0	0
Aug 97	2951.5	2909.0	2924.5	- 28.0	0
Sep 97	3006.0	2896.0	2933.0	- 28.0	0
Dec 97	N.T.	N.T.	2957.5	- 28.0	973
Mar 98	2972.5	2964.0	2979.5	- 29.0	7,299

Est. sales. 23,024.
Open int.: 12,870 off 58,034.

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Sep 97	4830.0	4725.0	4822.0	+33.0	64,744
Dec 97	4858.0	4808.0	4880.0	+34.0	3,364
Mar 98	N.T.	N.T.	4916.5	+34.0	1

Est sales: 14,547. Prev. sales: 12,200
Prev. open int.: 68,109 up 1,986

Commodity Indexes

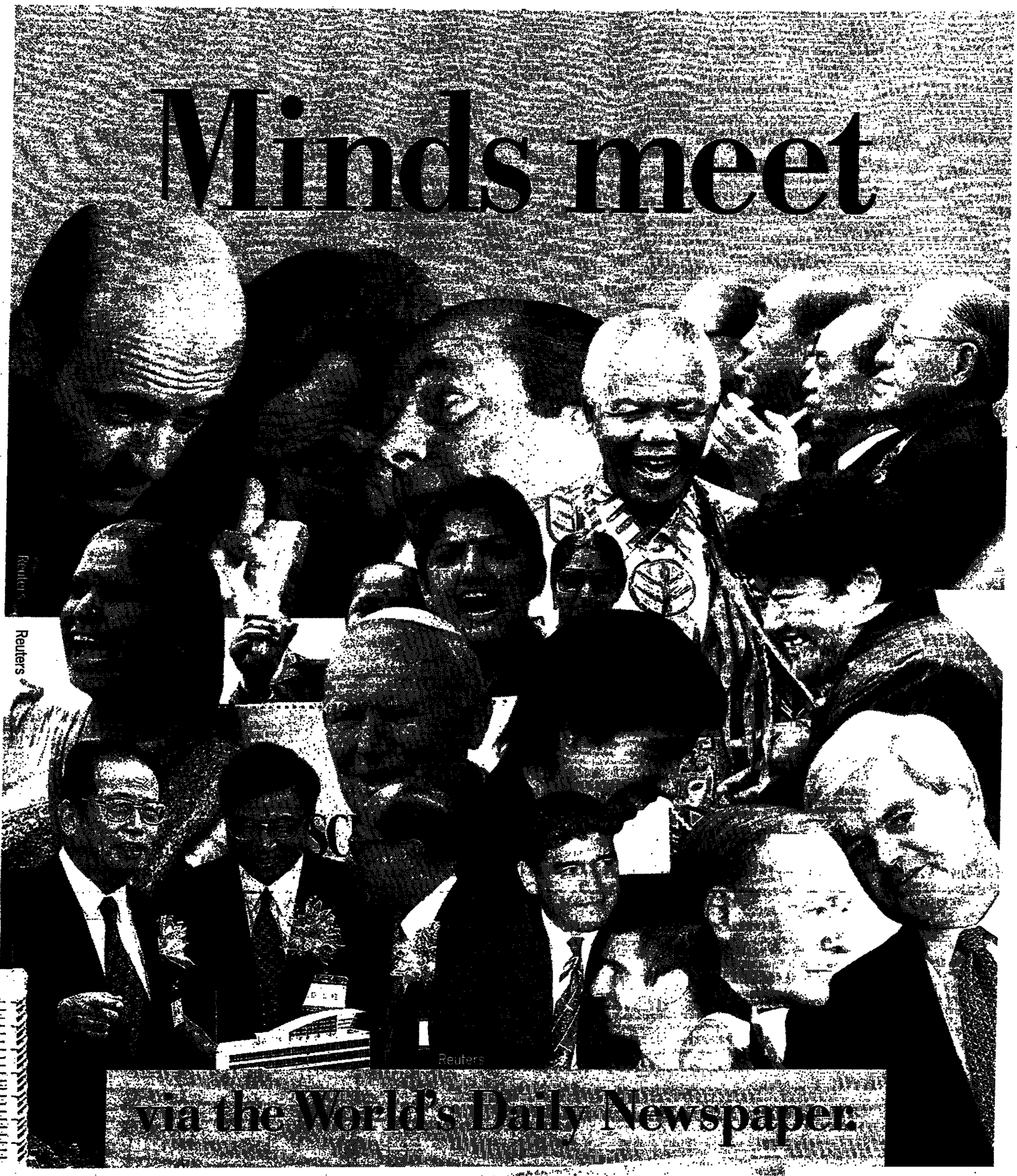
	Close	Previous
Moody's	N.A.	1,543.10
Reuters	1,934.00	1,931.60
D.J. Futures	149.86	150.69
CRB	237.43	238.84

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

هكذا من الاصل

هكذا من الأصل

Minds meet



In conflict or in concert. In negotiation or in reconciliation.
Minds meet on the pages of the World's Daily Newspaper. Read them every day.

KLM Ponders Divorce

Northwest Stake Subject of Talks

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines NV's shares jumped 5.64 percent Wednesday after the company repeated that it might sell its 19 percent stake in Northwest Airlines Corp., its U.S. partner.

"Selling the shares is an option," said Hans Leijte, KLM's spokesman. "What we are going to do with the shares is the question." He said KLM might enter into long-term contracts with Northwest instead.

Separately, Northwest has informed KLM of its plans to discontinue joint ticket sales in August, Mr. Leijte said, confirming reports.

A sale of its Northwest stake would be advantageous to KLM not only because of the cash it would raise but also because it would put to rest a long legal battle over control of Northwest and could clear the way for the Dutch airline to find a European partner.

KLM is hampered in allying itself with another European airline because most of them already have a U.S. partner.

In Amsterdam, KLM shares rose 3.40 guilders to 63.70 ($32.46).

Mr. Leijte said the extension of the alliance through long-term contracts depended on the two parties' agreeing on the status of KLM's shareholding in Northwest.

KLM's president-designate, Leo van Wijk, and the airline's chief financial officer, Rob Abrahamsen, were in the United States last week for a series of presentations to analysts, Mr. Leijte said. It is "reasonable to assume," he said, that talks with Northwest's managers and other shareholders also took place.

(Bloomberg, AFX)

AT&T and STET Forge an Alliance

Bloomberg News

ROME — AT&T Corp. and STET said Wednesday that they would jointly sell phone services in Latin America and Europe, bolstering AT&T's bid to be a top carrier of international business traffic.

Under the agreement, the Italian state phone company will take a stake of as much as 30 percent in AT&T Unisource, a venture linking AT&T to the national phone companies of the Netherlands, Switzerland and Sweden. Financial terms were not disclosed.

The alliance would strengthen AT&T in foreign markets against its U.S. rivals, MCI Communications Corp. and Sprint Corp., both of which already have ties to Europe's biggest phone companies, analysts said.

"This makes AT&T more credible as it tries to line up an Asian partner," said Anna-Maria Kovacs, an analyst at Janney Montgomery Scott Inc. "It's something they can capitalize on."

The agreement comes 10 weeks after Telefonica de Espana SA abandoned AT&T and Unisource for an alliance with MCI. With STET, AT&T would again have a foothold in European and Latin American markets, analysts said.

For Rome-based Societa Finanziaria Telefonica, the world's fifth-largest phone company, the alliance would help it expand into new phone markets.

"STET had to join an international alliance if it wanted to develop in a global market," said Settimio Stigliano at Arca Gestioni in Milan. "The alliance with AT&T gives it a credibility it didn't have."

In Europe, the companies said they would focus on increasing Unisource's presence in France, Germany and Britain. They said they also hoped to be the leading phone company to businesses in the $36 billion-a-year Latin American phone market.

Ms. Kovacs called the STET alliance a "turning point" for AT&T after recent setbacks. In addition to Telefonica's leaving Unisource, AT&T's effort to merge with SBC Communications Inc., the largest U.S. local phone company, collapsed over price terms and concerns that regulators would not approve the deal.

In March, AT&T painted a bleak picture for investors, warning that earnings would drop as it spent billions of dollars on capital investments and new businesses such as wireless and local-phone service.

AT&T's rivals are ahead of it in providing international companies with all of their phone needs, partly because MCI and Sprint have swapped equity with their partners, analysts said.

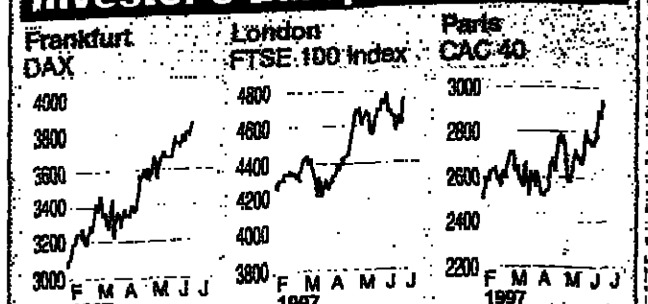
British Telecommunications PLC, which operates a venture called Concert with MCI, is acquiring all of the U.S. company. Sprint has teamed up with France Telecom and Deutsche Telekom AG, which together own 20 percent of Sprint, to form Global One.

The announcement Wednesday did not comment on whether AT&T would acquire a stake in STET when the Italian government sells its shares to the public later this year.

AT&T and Unisource's agreements does not include a provision for the partners to hold stakes in each other.

But while STET is not acquiring a stake in AT&T, it is buying as much as 30 percent of the AT&T Unisource venture, currently 40 percent-owned by AT&T and 60 percent-owned by Unisource. Analysts have criticized AT&T for forming loose international alliances.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	879.02	871.31	+0.88
Brussels	BEL-20	2,444.93	2,408.60	+1.51
Frankfurt	DAX	3,854.76	3,819.86	+0.91
Copenhagen	Stock Market	598.61	594.73	+0.65
Helsinki	HEX General	3,244.66	3,229.35	+0.47
Oslo	OBX	664.00	657.59	+0.96
London	FTSE 100	4,751.40	4,728.30	+0.49
Madrid	Stock Exchange	613.12	604.08	+1.51
Milan	MIBTEL	13494	13477	+0.13
Paris	CAC 40	2,909.45	2,944.04	-1.17
Stockholm	SX 16	3,303.15	3,292.75	+0.32
Vienna	ATX	1,364.75	1,339.87	+1.86
Zurich	SPI	3,585.26	3,569.46	+0.47

Source: Telekurs — International Herald Tribune

Kohl Deputy Warns France Over Deficit

Reuters

BONN — Chancellor Helmut Kohl's top deputy said Wednesday that the launch of a single European currency could run into trouble if France failed to keep its budget deficit under control.

Wolfgang Schaeuble, the parliamentary leader of Mr. Kohl's Christian Democrats and a staunch proponent of the planned single currency, said he hoped the new French government would be successful in meeting the deficit targets for the single currency.

But when asked what would happen if the French deficit was about 3.6 percent of gross domestic product, far above the 3 percent Germany is aiming for, Mr. Schaeuble said problems could emerge for monetary union.

"It would be a problem if it came to a budget deficit of this size in France," Mr. Schaeuble said in an interview with ZDF television. He added that he hoped Paris would make serious efforts to limit its budget deficit this year.

The French government said last week that it would not meet the 3 percent deficit target this year. Many analysts say that the German deficit will be slightly above the 3 percent threshold but that the euro, as the single currency will be called, will be launched nevertheless. They say the start of monetary union could be aborted if deficits in Germany or France are far above 3 percent.

In another warning apparently aimed at France, Finance Minister Theo Waigel said countries joining the single currency needed to enforce German-style budget stability.

"A chain is only as strong as its weakest link," Mr. Waigel wrote in the newspaper of his party, the Christian Social Union. "So, at the beginning of the monetary union, only countries that are equally stable can join. Convergence determines the schedule, in every single country."

Respecting the rules for monetary union set out in the Maastricht treaty is indispensable, he wrote. The treaty requires states to have a deficit of no more than 3 percent of gross domestic product in 1997.

Very briefly:

- **Total SA** said it was close to signing a contract with Iran and was negotiating a deal with Iraq on oil production.
- **The European Commission** delayed a decision on whether to block 18 million European currency units ($20.2 million) of Italian state subsidies to **SGS-Thomson Microelectronics** NV, Europe's second-largest maker of microchips. The competition commissioner, Karel van Miert, opposes the aid, saying it violates European Union rules.
- **Sears PLC** will give free store credit cards and spending money to the buyers of some of its shoe stores, as it steps up efforts to dispose of money-losing properties.
- **LM Ericsson Telefon AB** has signed a $110 million GSM expansion contract with the **Heilongjiang Posts and Telecommunications Administration** in China.
- **Cinven Ltd.** has acquired the health care unit of the French water utility **Generale des Eaux SA** for £1.1 billion ($1.82 billion) in the largest European management buyout of the decade.

AP, Bloomberg, AFX

Report Criticizes Germany's Economic Policy

Compiled by Our Staff From Dispatches

BERLIN — Germany's economy is in "the longest phase of quasi-stagnation since World War II," the DIW economic-research institute said Wednesday.

The institute forecast growth of 2.0 percent this year, with no upward momentum seen for 1998, and accused the government of running a "deflationary" economic policy that has crippled domestic expansion and pushed unemployment to a postwar record.

DIW said that the sluggish, export-based expansion would not be enough for Germany to reduce its deficit to 3 percent of gross domestic product this year, a key goal to qualify for a common European currency.

Economics Minister Guenter criticized the report, saying that DIW was "causing a panic" and giving "the wrong fiscal policy advice."

While it is true that strong demand for German exports has yet to stimulate domestic investment, he said, "almost all experts" maintain there will be an increase in investment in the near future.

He said the anticipated increase would come from favorable economic conditions, including stable prices, low interest rates and improved corporate profits.

(Bloomberg, AFX)

■ IG Metall Decries Proposal

IG Metall, Germany's largest union, said a proposal by the German Chamber of Commerce to reintroduce a 40-hour workweek would endanger jobs, Bloomberg News reported from Frankfurt.

"The return to a 40-hour week would endanger hundreds of thousands of jobs in the metal and the electrical industries alone," said Klaus Zwickel, head of IG Metall. "To reduce unemployment, we need to shorten the working week and not increase it."

IG Metall wants employers to cut the working week to 32 hours from an average of 35 hours.

Axa-UAP Merges British Units

Bloomberg News

LONDON — Axa-UAP, the world's second-largest insurer, said Wednesday that it would combine its British insurance and asset-management businesses as the French company, born in a consolidation this year, streamlines its activities in Europe.

Sun Life & Provincial Holdings PLC, which is 60.2 percent owned by Axa-UAP, will acquire the life insurer Axa Equity & Law for £690 million ($1.14 billion) in shares. Sun Life is also buying the property-casualty insurer Axa Insurance for £70 million in shares. Both acquired companies are fully owned by Axa-UAP.

WORLD STOCK MARKETS

Wednesday, July 2
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 879.02 — Previous: 871.31

	High	Low	Close	Prev.
ABN-AMRO	37.40	37.10	37.20	37.10
Aegon	142	139.10	141.70	138.50
Ahold	167.30	166.10	167.30	166.50
Akzo Nobel	274.50	272.80	273.80	272
Baan Co.	138.90	136.90	138.80	136.90
Bols Wess cva	37.80	37.40	37.50	37.70
CSM cva	98.30	96	97.20	97.60
Dordtsche Pet	113	109.60	110.30	110.90
DSM	199.80	196.50	196.70	198.10
Elsevier	33.20	32.80	32.90	32.90
Fortis Amev	89	87.20	89	88
Getronics	64	62.60	64	63.20
G-Broc cva	66	64.30	66	64.80
Hagemeyer	102.40	100.70	102	100.20
Heineken	352.50	341	352.50	343
Hoogovens cva	111.50	110	110.60	110.30
Hunt Douglas	172	170	172	169
ING Group	91.90	91.40	91.50	91.40
KLM	63.70	62.20	63.70	60.30
KNP BT	45.20	44.60	44.60	45
KPN	79.30	77.90	78.60	77.80
Nedlloyd Gp	57.20	56.40	56.50	56.70
Nutricia	317.50	313.10	316	313
Oce Grinten	252	247.50	248.50	252
Philips Elec	138.80	136.70	137	137.20
Polygram	106.20	103.80	106.20	105.60
Randstad Hdg	212.20	209.50	212.20	209.10
Robeco	188	187	188	185.90
Rodamco	64.40	63.60	64.20	66.10
Rolinco	190.70	190.40	190.70	189.10
Rorento	114.50	114	114.10	114.40
Royal Dutch	108.70	106.80	108	106.70
Unilever cva	431.80	423.30	430.90	423.30
Vendex Intl	114.50	110.50	112.70	110.40
VNU	44.80	43.80	44.10	44.10
Wolters Kl cva	243.70	239	243.70	240.80

Bangkok — SET index: 568.79 — Previous: 527.28

	High	Low	Close	Prev.
Adv Info Svc	248	248	248	226
Bangkok Bk F	300	190	238	178
Krung Thai Bk	29.75	27.25	29.75	27.25
PTT Explor	370	336	370	338
Siam Cement F	612	490	542	448
Siam Com Bk F	167	106	153	106
Telecomasia	34.25	30.50	34.25	31.25
Thai Airways	41.75	38	41.75	38
Thai Farm Bk F	177	118	149	110
Utd Comm	117	101	117	107

Bombay — Sensex 30 index: 4332.90 — Previous: 4380.86

	High	Low	Close	Prev.
Bajaj Auto	972	930.25	939	930
Hindust Lever	1455	1417	1419.50	1451.75
Hindust Petlm	459	451.50	459	453.25
Ind Dev Bk	105	98.50	103	105.25
ITC	556	541.75	544.50	556
Mahanagar Tel	319	298	313.75	300
Reliance Ind	374	367	368.50	369.50
State Bk India	355.50	347.50	349	350
Steel Authority	22.50	21	22	20.50
Tata Eng Loco	462	448.50	451.50	452.75

Brussels — BEL-20 index: 2444.93 — Previous: 2408.60

	High	Low	Close	Prev.
Almanij	16650	16450	16575	16650
Barco Ind	7370	7260	7310	7340
BBL	9350	9010	9220	9040
CBR	3340	3275	3290	3320
Colruyt	19875	18075	19875	18200
Delhaize Lion	1925	1895	1920	1900
Electrabel	7770	7460	7680	7750
Electrafina	3750	3690	3750	3680
Fortis AG	7700	7480	7690	7540
Gevaert	3380	3370	3380	3380
GBL	6120	6060	6110	6080
Gen Banque	14325	13925	14275	14025
Kredietbank	15000	14675	14750	14750
Petrofina	13850	13525	13750	13775
Powerfin	4975	4935	4975	4940
Royale Belge	11200	10475	10975	10625
Soc Gen Belg	3510	3400	3510	3390
Solvay	22000	21175	21850	21500
Tractebel	14975	14875	14900	14975
UCB	120400	115400	120000	116000

Copenhagen — Stock index: 598.61 — Previous: 594.73

	High	Low	Close	Prev.
BG Bank	376	368	368	367
Carlsberg B	366	363	365	365
Codan Fors	885	875	885	875
Danisco	419	405	417	414
Den Danske Bk	680	670	680	670
D/S Svendbrg B	355000	351000	355000	353000
D/S 1912 B	248000	243000	245333	245000
FLS Ind B	236	228	233	230
Kob Lufthavne	716	705	710	710
Nvo Nordisk B	736	713.37	730	726
Sophus Ber B	994	983	986	986
Tele Danmk B	350	345	345	347
Tryg Baltica	360	353	360	352
Unidanmark A	391	383	388.20	382

FOR INVESTMENT INFORMATION
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THE WORLD'S DAILY NEWSPAPER

Frankfurt — DAX: 3854.76 — Previous: 3819.85

	High	Low	Close	Prev.
AMB B	1570	1540	1570	1540
Adidas	195	193	193.10	192
Allianz Hdg	373	366	367	369
Altana	189	187	187	187.80
Bk Berlin	36.95	36.80	36.82	36.65
BASF	67.30	65.85	66.05	66.06
Bayer Hypo Bk	53.48	53.15	53.48	52.29
Bay.Vereinsbank	73.10	72.40	72.60	72.40
Bayer	72.50	70.10	70.75	70.30
Beiersdorf	93.50	92.30	92.30	91.20
Bewag	39.99	39.70	39.70	39.99
BMW	1442	1433	1442	1419
CKAG Colonia	164.50	162	164.50	164
Commerzbank	50.35	50	50.15	49.15
Daimler Benz	144.90	143.50	144.90	142.50
Degussa	93.30	92.40	93.20	91.70
Deutsche Bank	105.35	104.25	104.88	102.05
Deut Telekom	42.45	42.30	42.40	42.15
Dresdner Bank	62.90	62.50	62.60	61.25
Fresenius	363.50	361	361	362.50
Fresenius Med	153.20	152.50	152.50	152.50
Fried. Krupp	342	340.50	340.50	339.50
Gehe	119.80	117	117.50	119.80
Heidelbg Zmt	169	167.50	168.50	167.50
Henkel pfd	98.80	98.20	98.40	97.40
HEW	475	470	470	475
Hochtief	80.20	79	80	78.70
Hoechst	79.30	78.30	79.30	78.30
Karstadt	639.80	637	639.50	635
Lahmeyer	78.50	78	78.50	78.70
Linde	1359	1341	1352	1360
Lufthansa	33	31.90	31.90	32.40
MAN	548	539	540.50	541
Mannesmann	781.50	779	780.50	776.50
Metallgesellschaft	35.90	35	35.30	35.70
Metro	193	191.80	192.80	193
Munch Rueck R	4900	4835	4850	4845
Preussag	519.50	512	512	514
RWE	74.80	74	74.80	74.85
SAP pfd	358.80	352.30	358.30	349
Schering	190.90	190	190.25	189.95
SGL Carbon	248	243	243.25	243.40
Siemens	106.90	105.65	106.60	104.40
Springer (Axel)	1530	1530	1530	1525
Suedzucker	937	935	935	940
Thyssen	431	427	430	416.50
Veba	100.60	98.60	99.60	99.40
VEW	565	560	560	565
Viag	803	798.50	800	802
Volkswagen	1349	1335	1345	1330.50

Helsinki — HEX General index: 3244.66 — Previous: 3229.35

	High	Low	Close	Prev.
Enso A	N.T.	N.T.	N.T.	47.70
Huhtamaki I	225.50	224.20	225	225
Kemira	52.50	51.50	52	51.50
Kesko	76.50	75	76.50	75.30
Merita A	19.50	18.10	19.40	18.10
Metra B	161.50	158	160	156.70
Metsa-Serla B	42.90	42.50	42.70	42.50
Neste	141	139	141	138
Nokia A	386.50	379	384	386
Orion-Yhtymae	199	196.50	199	199
Outokumpu A	104.50	103.80	104	104
UPM Kymmene	125	123.80	124.60	123.80
Valmet	89.50	88.50	89.20	89.20

Market Closed

The Hong Kong stock market was closed Wednesday for a holiday.

Jakarta — Composite index: 730.16 — Previous: 721.42

	High	Low	Close	Prev.
Astra Intl	8075	8025	8050	7900
Bk Intl Indon	2125	2050	2075	2100
Bk Negara	1575	1525	1550	1575
Gudang Garm	10125	10000	10025	10050
Indocement	3925	3800	3900	3775
Indofood	5675	5600	5600	5625
Indosat	7475	7350	7475	7475
Sampoerna HM	10050	9775	9975	9775
Semen Gresik	5550	5450	5500	5525
Telekomunikasi	4075	4025	4050	4075

Johannesburg — All Market: 7416.68 — Previous: 7420.12

	High	Low	Close	Prev.
Amalgamtd Bks	32.80	32.60	32.60	32.80
AngloAm Coal	279	277	278	279
AngloAm Corp	272.75	271	271	273
AngloAm Gold	268	264	265	268.75
AngloAm Ind	200	199	200	199
AVMIN	15.90	15.60	15.70	15.95
Barlow	50	49.75	49.95	49.60
C.G. Smith	25	24.56	24.95	25
De Beers	167.50	166.75	167.25	167.50
Driefontein	30.90	30.50	30.50	30.75
Fst Natl Bk	38.85	38.40	38.45	39
Gencor	21	20.90	21	21
GFSA	105.75	100	104	106
Imperial Hdgs	65.25	64.50	65.25	65
Ingwe Coal	27.50	26.50	26.50	28
Iscor	3.01	2.97	3	2.99
Johnnies Indl	61.50	60	61.50	59.75
Liberty Hdgs	330	329.25	329.50	330
Liberty Life	125.50	124	124.25	124.50
LibLife Strat	18.50	18.10	18.25	18.10
Minorco	103.75	102.50	102.75	104
Nampak	19.65	19.50	19.65	19.50
Nedcor	101.50	100.75	101.25	100.75
Rembrandt Gp	48.30	47.60	47.75	48.30
Richemont	71	69	70.50	69
Rust Platinum	82.50	80.50	82.50	80.50
SA Breweries	140	139.50	139.50	140
Samancor	44.95	44.75	44.95	45
Sasol	59.50	59	59.50	59.25
SBIC	222.50	222	222	223
Tiger Oats	80	79	80	80

Kuala Lumpur — Composite: 1084.88 — Previous: 1078.90

	High	Low	Close	Prev.
AMMB Hdgs	16.10	15.80	16	15.80
Genting	12.20	11.80	11.90	12.10
Mal Banking	27.50	26.75	27	26.50
Mal Intl Ship F	7.70	6.75	7.25	6.75
Petronas Gas	9.15	8.95	9.15	9.10
Proton	11.90	11.80	11.80	11.80
Public Bk	4.12	4	4.12	4
Renong	3.36	3.26	3.32	3.32
Resorts World	7.80	7.65	7.75	7.65
Rothmans PM	25.50	24.80	25	24.80
Sime Darby	8.50	8.30	8.50	8.30
Telekom Mal	12.20	11.90	12.20	12.20
Tenaga	12.40	12.20	12.30	12.30
Utd Engineers	18.30	18.10	18.30	18.20
YTL	8.15	7.80	8.10	7.75

London — FT-SE 100: 4751.40 — Previous: 4728.30

	High	Low	Close	Prev.
Abbey Natl	8.65	8.40	8.62	8.45
Allied Domecq	4.38	4.25	4.25	4.34
Anglian Water	7.47	6.93	7.05	6.96
Argos	5.63	5.52	5.61	5.55
Asda Group	1.28	1.26	1.26	1.25
Assoc Br Foods	5.41	5.36	5.41	5.32
BAA	5.75	5.54	5.71	5.51
Barclays	12.40	11.92	12.16	12.29
Bass	7.67	7.45	7.61	7.45
BAT Ind	5.65	5.46	5.50	5.46
Bank Scotland	4.12	3.96	4.04	3.92
Blue Circle	4.28	4.22	4.24	4.24
BOC Group	10.72	10.58	10.70	10.59
Boots	7.23	7.13	7.23	7.15
BPB Ind	3.23	3.19	3.22	3.21
Brit Aerosp	13.43	13.03	13.07	13.27
Brit Airways	6.99	6.78	6.94	6.97
BG	2.34	2.23	2.30	2.34
Brit Land	5.91	5.82	5.86	5.71
Brit Petm	8.42	7.54	7.62	7.56
BSkyB	4.48	4.25	4.35	4.35
Brit Steel	1.53	1.49	1.49	1.51
Brit Telecom	4.61	4.49	4.56	4.50
BTR	2.17	2.09	2.14	2.12
Burmah Castrol	10.28	10.08	10.08	10.28
Burton Gp	1.21	1.17	1.18	1.18
Cable Wireless	5.92	5.69	5.87	5.71
Cadbury Schw	5.40	5.28	5.34	5.36
Carlton Comm	5.42	5.18	5.37	5.16
Comml Union	6.94	6.60	6.65	6.48
Compass Gp	6.73	6.70	6.70	6.72
Courtaulds	3.50	3.43	3.45	3.39
Dixons	4.94	4.75	4.90	4.79
Electrocomponents	4.50	4.47	4.50	4.47
EMI Group	11.28	10.73	11.20	10.79
Energy Group	6.45	6.37	6.39	6.37
Enterprise Oil	7.07	6.85	7.07	6.79
Fam Colonial	1.68	1.65	1.65	1.66
Genl Accident	9.27	7.99	9.27	9.05
GEC	3.69	3.57	3.59	3.59
GKN	10.22	10.06	10.09	10.17
Glaxo Wellcome	13.53	13.03	13.08	12.78
Granada Gp	8.02	7.90	7.95	7.98
Grand Met	6.18	5.93	6.10	5.90
GRE	2.82	2.67	2.75	2.73
Greenalls Gp	4.45	4.40	4.40	4.42
Guinness	6.17	5.95	6.08	5.99
GUS	6.21	6.11	6.14	6.14
Hays	5.77	5.72	5.75	5.76
HSBC Hldgs	19.25	18.48	18.50	18.31
ICI	8.62	8.44	8.47	8.49
Impl Tobacco	3.91	3.80	3.80	3.87
Kingfisher	6.98	6.85	6.97	6.98
Ladbroke	2.51	2.41	2.45	2.47
Land Sec	8.93	8.66	8.75	8.57
Lasmo	2.75	2.64	2.67	2.63
Legal Genl Grp	4.40	4.26	4.33	4.26
Lloyds TSB Gp	6.65	6.30	6.47	6.52
LucasVarity	2.09	2.03	2.09	2.06
Marks Spencer	5.70	5.01	5.03	5.09
MEPC	5.07	4.93	5.05	4.92
Mercury Asset	12.90	12.53	12.71	12.46
National Grid	2.37	2.24	2.31	2.33
Natl Power	5.55	5.32	5.43	5.42
NatWest	8.67	8.40	8.59	8.46
Next	6.88	6.78	6.86	6.81
Norwich Union	3.31	3.23	3.27	3.26
Orange	2.06	2	2	2.03
P&O	6.22	6.10	6.21	6.09
Pearson	7.09	6.98	7.04	6.99
Pilkington	1.37	1.33	1.34	1.37
PowerGen	7.47	7.23	7.27	7.26
Premier Farnell	4.70	4.62	4.63	4.63
Prudential	6.08	5.91	6.04	5.94
Railtrack Gp	6.46	6.29	6.29	6.36
Rank Group	3.77	3.59	3.65	3.73
Reckitt Colm	9.50	9.10	9.37	8.99
Redland	3.39	3.34	3.35	3.34
Reed Intl	5.94	5.83	5.85	5.85
Rentokil Initial	2.31	2.22	2.26	2.18
Reuters Hdgs	6.40	6.30	6.33	6.35
Rexam	2.58	2.53	2.57	2.55
RMC Group	9.75	9.65	9.75	9.74
Rolls Royce	2.38	2.34	2.36	2.33
Royal Bk Scot	5.94	5.77	5.87	5.82
RTZ reg	10.84	10.50	10.58	10.61
Royal & Sun All	4.77	4.63	4.75	4.62
Safeway	3.55	3.47	3.52	3.54
Sainsbury	3.71	3.62	3.64	3.67
Schroders	17.07	16.30	16.99	16.40
Scot Newcastle	6.62	6.50	6.50	6.58
Scot Power	4.37	3.95	3.95	4.11
Securicor	2.89	2.85	2.85	2.88
Severn Trent	8.45	8.07	8.42	8.10
Shell Transp R	4.36	4.26	4.34	4.30
Siebe	10.29	10.22	10.29	10.24
Smith Nephew	1.73	1.67	1.70	1.67
SmithKline	11.72	11.47	11.66	11.50
Smiths Ind	7.82	7.76	7.79	7.77
Sthern Elec	4.61	4.23	4.45	4.52
Stagecoach	6.35	6.31	6.35	6.35
Stand Charter	9.55	9.36	9.44	9.35
Tate & Lyle	4.60	4.50	4.57	4.50
Tesco	3.78	3.71	3.76	3.75
Thames Water	7.55	7.13	7.35	7.28
3i Group	5.11	5.02	5.11	5.03
TI Group	5.20	5.08	5.12	5.19
Tomkins	2.69	2.63	2.69	2.63
Unilever	17.80	17.50	17.73	17.61
Utd Assurance	4.35	4.20	4.34	4.27
Utd News	7.10	7.01	7.10	7.07
Utd Utilities	7.45	6.75	6.85	6.92
Vendome Lx uts	4.58	4.52	4.52	4.50
Vodafone	3.01	2.95	3	2.95
Whitbread	7.66	7.53	7.62	7.60
Williams Hdgs	3.31	3.25	3.29	3.24
Wolseley	4.78	4.68	4.74	4.67
WPP Group	2.44	2.38	2.39	2.42
Zeneca	20.55	20.08	20.18	20.24

Madrid — Bolsa index: 613.12 — Previous: 608.58

	High	Low	Close	Prev.
Acerinox	29120	28250	29010	27900
ACESA	2050	1975	2050	1975
Aguas Barcelon	6200	6090	6180	6130
Argentaria	8600	8400	8490	8380
BBV	12290	12100	12280	12120
Banesto	1490	1460	1465	1485
Bankinter	26700	26480	26700	26290
Bco Centro Hisp	5650	5480	5640	5480
Bco Popular	40000	37100	39400	37000
Bco Santander	4660	4600	4645	4585
CEPSA	5010	4930	5000	4935
Continente	3240	3110	3195	3240
Corp Mapfre	7900	7810	7880	7840
Endesa	13350	13080	13210	12920
FECSA	1390	1370	1375	1375
Gas Natural	33200	32250	33030	32700
Iberdrola	1885	1855	1885	1845
Pryca	3200	3075	3140	3190
Repsol	6470	6320	6430	6300
Sevillana Elec	1515	1500	1510	1500
Tabacalera	8100	8000	8070	8000
Telefonica	4450	4325	4440	4315
Union Fenosa	1305	1290	1300	1300
Valenc Cement	2435	2370	2415	2400

Manila — PSE index: 2764.89 — Previous: 2815.54

	High	Low	Close	Prev.
Ayala B	18.75	17.75	17.75	19
Ayala Land	24.25	24	24	24.50
Bk Philip Isl	167	166	166	167
C&P Homes	10.25	10	10	10
Manila Elec A	86	84.50	85	86.50
Metro Bank	570	555	560	570
Petron	6.80	6.50	6.60	6.80
PCIBank	255	252.50	255	252.50
Phil Long Dist	870	855	865	870
San Miguel B	66	64.50	66	67.50
SM Prime Hdg	7.80	7.40	7.60	7.70

Mexico — Bolsa index: 4546.86 — Previous: 4508.79

	High	Low	Close	Prev.
Alfa A	55.10	54.70	54.90	54.60
Banacci B	21.30	20.55	20.55	20.55
Cemex CPO	35.30	34.95	34.95	34.70
Cifra C	12.96	12.86	12.86	12.86
Emp Modema	44.80	44.00	44.00	43.95
Gpo Carso A1	56.70	55.90	55.90	56.30
Gpo F Bcomer	2.54	2.42	2.49	2.42
Gpo Fin Inbursa	34.50	33.70	33.80	33.80
Kimb Clark Mex	32.55	31.75	31.95	32.00
Televisa CPO	124.00	122.60	123.50	121.50
TelMex L	19.54	19.22	19.46	19.22

Milan — MIB Telematico: 13494.00 — Previous: 13477.00

	High	Low	Close	Prev.
Alleanza Assic	13750	13460	13700	13475
Bca Comm Ital	3925	3805	3925	3690
Bca Fideuram	5770	5565	5745	5565
Bca di Roma	1315	1286	1295	1275
Benetton	28900	27650	27650	28650
Credito Italiano	3400	3335	3400	3305
Edison	8900	8650	8690	8595
ENI	9935	9780	9935	9850
Fiat	6460	6360	6375	6300
Generali Assic	32200	31450	31650	31450
IMI	16020	15700	15940	15580
INA	2630	2570	2590	2565
Italgas	5620	5465	5475	5465
Mediaset	7450	7285	7395	7200
Mediobanca	11010	10760	10885	10780
Montedison	1164	1153	1155	1147
Olivetti	490	473	475	489
Parmalat	2550	2475	2510	2465
Pirelli	4435	4330	4390	4365
RAS	13945	13820	13900	13755
Rolo Banca	22400	21500	21750	21200
S Paolo Torino	13090	12670	13080	12700
Stet	10380	10000	10000	10055
Telecom Italia	5800	5045	5045	5535
TIM	5785	5535	5590	5615

Montreal — Industrials index: 3388.82 — Previous: 3385.55

	High	Low	Close	Prev.
Bce Mob Com	43.10	43	43.10	42.90
Cdn Tire A	27.55	27.35	27.55	27.10
Cdn Util A	35.85	35.60	35.85	35.60
CT Finl Svc	37½	37½	37½	37½
Gaz Metro	17.95	17.80	17.90	17.90
Gt-West Lifeco	34	33½	33.80	33½
Imasco	40.70	40.45	40.60	40
Investors Grp	31½	31½	31½	32
Loblaw Cos	19.40	19.15	19.20	19.00
Natl Bk Canada	18.05	17.70	18	17.35
Power Corp	34	33¾	33.95	34
Power Finl	33	32¾	32.95	33.10
Quebecor B	25.86	25.55	25.85	25.40
Rogers Comm B	9.10	9	9	8.60
Royal Bk Cda	65	62.90	65	62.40

Oslo — OBX index: 444.80 — Previous: 457.49

	High	Low	Close	Prev.
Aker A	150	146	148	145.50
Bergesen Dy A	176	174.50	174.50	174
Christiania Bk	28.50	25.20	26	25.20
Den norske Bk	28.60	28.40	28.50	28.50
Elkem	146	143	144	144.50
Hafslund A	44.50	43.90	44.50	43.80
Kvaerner Asa	448	444	448	447
Norsk Hydro	400	395	396	397
Norske Skog A	259	256	256	255
Nycomed A	139	133	139	132.50
Orkla Asa A	550	545	550	543
Petlm GeoSvc	361	355	360	352
Saga Petlm A	147	143	146.50	141.50
Schibsted	143	142	143	143
Transocean Off	548	530	540	528
Storebrand Asa	43.50	43	43	43.40

Paris — CAC-40: 2909.45 — Previous: 2944.04

	High	Low	Close	Prev.
Accor	950	908	925	915
AGF	192	185.10	187.50	188
Air Liquide	964	934	953	956
Alcatel Alsth	794	757	776	775
Axa-UAP	374.90	366.50	370.60	370
Bancaire	786	741	759	780
BIC	980	964	973	976
BNP	248.80	243.20	247.70	243.80
Canal Plus	1245	1186	1209	1207
Carrefour	4471	4275	4373	4393
Casino	292.50	285.10	285.40	290.90
CCF	263	252	256.90	257
Cetelem	723	711	713	724
Christian Dior	994	971	976	977
CLF-Dexia Fran	588	572	577	579
Credit Agricole	1288	1288	1288	1251
Danone	996	965	981	990
Elf-Aquitaine	654	626	630	650
Eridania BS	912	865	886	908
Eurodisney	9.15	8.90	9.15	9.05
Eurotunnel	8.40	7.15	7.55	6.90
Gen. Eaux	777	752	757	755
Havas	445.80	427.20	427.20	443
Imetal	798	767	771	762
Lafarge	387.10	379	385	381
Legrand	1090	1052	1059	1070
L'Oreal	2644	2450	2487	2584
LVMH	1642	1561	1580	1599
Lyon. Eaux	634	610	620	621
Michelin B	390	360	365	378.10
Paribas A	415.40	406.40	413	411.60
Pernod Ricard	312	303.60	311.10	310.30
Peugeot Cit	603	574	583	578
Pinault-Print	2938	2800	2825	2831
Promodes	2413	2327	2365	2394
Renault	152	143.20	147.90	154
Rexel	1840	1755	1839	1819
Rh-Poulenc A	265	255.50	258	251.90
Sanofi	599	563	572	599
Schneider	333	305	328.30	331.90
SEB	1030	1007	1029	1012
SGS Thomson	492	480	481.50	499.80
Ste Generale	678	654	663	667
Sodexho	2995	2917	2918	2963
St Gobain	879	845	852	874
Suez	15.45	14.55	14.90	15.05
Synthelabo	764	747	750	758
Thomson CSF	161.90	154	156.60	158.80
Total B	632	588	598	620
Usinor	106.30	103.20	104	104.90
Valeo	384	368.10	374.40	376.60

São Paulo — Bovespa index: 13124.50 — Previous: 13002.30

	High	Low	Close	Prev.
Bradesco Pfd	10.99	10.74	10.74	10.90
Brahma Pfd	820.00	795.00	795.00	820.00
Cemig Pfd	57.30	55.90	56.20	56.50
CESP Pfd	77.00	75.00	75.40	74.40
Copel	20.10	19.80	20.00	18.90
Eletrobras	640.00	614.00	617.00	620.00
Itaubanco Pfd	635.01	620.00	625.00	620.00
Light Servicios	569.99	550.00	552.00	570.00
Lightpar	440.00	432.00	438.00	431.00
Petrobras Pfd	308.00	301.01	305.00	304.00
Paulista Luz	195.00	186.00	193.90	188.00
Sid Nacional	35.99	35.50	35.79	35.80
Souza Cruz	11.20	10.80	11.20	11.00
Telebras Pfd	174.00	170.00	172.30	170.70
Telemig	199.00	195.00	199.00	193.00
Telerj	170.00	164.39	169.50	164.40
Telesp Pfd	364.00	358.00	363.00	356.00
Unibanco	41.50	39.00	40.51	39.30
Usiminas Pfd	12.49	12.29	12.450	12.30
CVRD Pfd	26.00	24.30	25.75	24.10

Seoul — Composite index: 777.29 — Previous: 758.03

	High	Low	Close	Prev.
Dacom	100000	97600	98500	97500
Daewoo Heavy	8260	7710	8260	7650
Hyundai Eng.	24500	23300	24200	23500
Kia Motors	15000	14600	14700	15000
Korea El Pwr	27300	26400	27300	26400
Korea Exch Bk	6290	6100	6200	6100
Korea Mob Tel	500000	472000	491000	471000
LG Semicon	39300	36800	37600	36400
Pohang Iron St	67000	65300	65800	66000
Samsung Display	48900	48000	48600	48000
Samsung Elec	73500	71500	72500	71000
Shinhan Bank	11300	11000	11100	11000

Singapore — Straits Times: 1968.91 — Previous: 1981.28

	High	Low	Close	Prev.
Asia Pac Brew	5.95	5.80	5.80	5.80
Cerebos Pac	6.50	6.05	6.10	6.45
City Devlts	14	13.50	13.50	14
Cycle Carriage	14.80	14.70	14.80	14.80
Dairy Farm Int *	0.76	0.75	0.75	0.75
DBS foreign	18.70	18.40	18.70	18.40
DBS Land	4.50	4.40	4.42	4.48
Fraser & Neave	10.10	9.95	10	9.95
HK Land *	2.66	2.61	2.66	2.63
Jard Matheson *	7.45	7.20	7.40	7.20
Jard Strategic *	3.82	3.78	3.80	3.76
Keppel A	N.T.	N.T.	N.T.	6.40
Keppel Bank	3.70	3.66	3.66	3.66
Keppel Fels	4.84	4.82	4.84	4.84
Keppel Land	3.82	3.78	3.80	3.80
OCBC foreign	15.10	14.80	14.90	14.80
OS Union Bk F	9.10	8.85	9.05	8.95
Parkway Hdgs	6.50	6.35	6.35	6.40
Sembawang	6.50	6.45	6.50	6.50
Sing Air foreign	13	12.90	13	12.90
Sing Land	6.60	6.50	6.55	6.50
Sing Press F	28.80	28.70	28.80	28.80
Sing Tech Ind	3.76	3.68	3.68	3.68
Sing Telecomm	2.69	2.67	2.67	2.71
Tat Lee Bank	3.06	3.02	3.04	3
Utd Industrial	1.07	1.06	1.07	1.06
Utd OSea Bk F	15.30	15	15.30	14.90
Wing Tai Hdgs	4.28	4.16	4.20	4.18

*: in U.S. dollars.

Stockholm — SX 16 index: 3303.16 — Previous: 3292.75

	High	Low	Close	Prev.
AGA B	103.50	102.50	102.50	103.50
ABB A	111.50	109.50	111.50	109.50
AssiDoman	220	216	219	220
Astra A	146.50	145	145.50	145.50
Atlas Copco A	214	208.50	213.50	208
Autoliv	308	305	306	305.50
Electrolux B	567	559	567	564
Ericsson B	306	299	305.50	304.50
Hennes B	274	271	273.50	272
Incentive A	701	700	700	701
Investor B	410	406	407.50	407.50
MoDo B	252.50	248	248	251.50
Nordbanken	267	262	266	263
Pharm Upjohn	278	268	276.50	269
Sandvik B	223	221	222.50	222
Scania B	232	230	232	233.50
SCA B	163.50	160.50	162	164
S-E Banken A	84.50	83.50	84	84
Skandia Fors	293	284.50	292.50	286
Skanska B	343	340	342	341
SKF B	206	205	205	205.50
Sparbanken A	168	165.50	167	166.50
Stadshypotek A	N.T.	N.T.	N.T.	190
Stora A	129.50	127.50	127.50	128.50
Sv Handles A	251.50	250	251	250.50
Volvo B	208	205.50	206	207

Sydney — All Ordinaries: 2745.90 — Previous: 2721.20

	High	Low	Close	Prev.
Amcor	8.78	8.70	8.72	8.71
ANZ Bking	9.96	9.85	9.91	9.86
BHP	19.85	19.54	19.83	19.52
Boral	4.25	4.14	4.25	4.12
Brambles Ind.	26.50	26.05	26.36	26.25
CBA	16.15	15.86	16.01	15.84
CC Amatil	17.02	16.80	16.94	16.90
Coles Myer	6.94	6.81	6.92	6.79
Comalco	7.16	7.11	7.15	7.11
CSR	5.17	5.10	5.16	5.14
Fosters Brew	2.46	2.43	2.45	2.45
Goodman Fld	1.94	1.90	1.91	1.90
ICI Australia	13.15	12.99	13.10	13
Lend Lease	29.30	28.31	29	28.29
MIM Hdgs	1.97	1.94	1.95	1.95
Nat Aust Bank	19.60	19.04	19.39	19.02
Nat Mutual Hdg	2.20	2.16	2.18	2.16
News Corp	6.53	6.42	6.53	6.47
Pacific Dunlop	3.84	3.75	3.76	3.82
Pioneer Intl	5.26	5.20	5.26	5.16
Pub Broadcast	7.85	7.68	7.82	7.70
Rio Tinto	23.15	22.55	22.97	22.47
St George Bank	8.70	8.50	8.63	8.74
WMC	8.45	8.35	8.37	8.36
Westpac Bking	8.05	7.93	7.97	7.91
Woodside Pet	11.50	11.36	11.36	11.40
Woolworths	4.39	4.33	4.37	4.33

Taipei — Stock Market index: 8996.72 — Previous: 9038.28

	High	Low	Close	Prev.
Cathay Life Ins	147.50	143	147.50	159
Chang Hwa Bk	118	114	115	115.50
Chiao Tung Bk	79	77	77.50	77.50
China Develpmt	148	144	144	143.50
China Steel	30.40	29.60	29.70	29.40
First Bank	115.50	112.50	113	113.50
Formosa Plastic	71	67.50	69.50	67
Hua Nan Bk	116	113	113.50	113.50
Intl Comm Bk	68	66	67	66
Nan Ya Plastics	84.50	81.50	82.50	81
Shin Kong Life	117.50	113.50	115.50	113
Taiwan Semi	122	115	115	123.50
Tatung	55	54	54	54
Utd Micro Elec	113	106	106	113.50
Utd World Chin	68	66.50	66.50	66.50

Tokyo — Nikkei 225: 20196.42 — Previous: 20175.52

	High	Low	Close	Prev.
Ajinomoto	1190	1160	1170	1190
All Nippon Air	748	737	745	731
Amway	3950	3880	3910	3950
Asahi Bank	936	915	923	937
Asahi Chem	690	671	680	671
Asahi Glass	1130	1110	1120	1120
Bk Tokyo Mitsu	2250	2210	2240	2240
Bk Yokohama	655	648	649	654
Bridgestone	2600	2550	2590	2590
Canon	3120	3070	3110	3080
Chubu Elec	2100	2060	2100	2060
Chugoku Elec	2030	2010	2030	2000
Dai Nipp Print	2540	2490	2540	2530
Daiei	759	742	759	738
Dai-Ichi Kang	1540	1510	1520	1530
Daiwa Bank	569	550	555	549
Daiwa House	1380	1360	1370	1360
Daiwa Sec	901	887	893	903
DDI	8300a	8230a	8250a	8330a
Denso	2760	2700	2750	2760
East Japan Ry	5840a	5750a	5800a	5800a
Eisai	2170	2110	2170	2150
Fanuc	4330	4210	4220	4280
Fuji Bank	1660	1630	1650	1650
Fuji Photo	4660	4540	4590	4530
Fujitsu	1570	1530	1560	1540
Hachijuni Bk	1140	1120	1140	1120
Hitachi	1300	1270	1300	1280
Honda Motor	3420	3370	3420	3370
IBJ	1730	1680	1690	1720
IHI	447	439	442	442
Itochu	611	599	611	602
Ito-Yokado	6750	6650	6740	6650
JAL	539	520	525	530
Japan Tobacco	8850a	8620a	8720a	8880a
Jusco	3920	3870	3900	3830
Kajima	663	632	662	662
Kansai Elec	2210	2170	2200	2170
Kao	1590	1580	1580	1580
Kawasaki Hvy	523	517	521	517
Kawa Steel	368	364	367	366
Kinki Nipp Ry	700	695	698	693
Kirin Brewery	1170	1140	1160	1160
Kobe Steel	218	212	212	215
Komatsu	923	911	919	913
Kubota	552	545	551	552
Kyocera	9010	8870	8920	9010
Kyushu Elec	2000	1970	1990	1970
LTCB	490	471	473	490
Marubeni	509	500	502	503
Marui	2110	2040	2060	2100
Matsu Comm	4060	3930	4030	3900
Matsu Elec Ind	2280	2250	2260	2270
Matsu Elec Wk	1290	1270	1270	1280
Mitsubishi	1360	1320	1330	1390
Mitsubishi Ch	365	360	360	362
Mitsubishi El	646	641	645	643
Mitsubishi Est	1650	1620	1640	1640
Mitsubishi Hvy	878	866	875	870
Mitsubishi Mat	820	813	818	815
Mitsubishi Tr	1780	1720	1720	1760
Mitsui	1080	1050	1070	1080
Mitsui Fudosn	1550	1530	1550	1530
Mitsui Trust	853	830	833	840
Murata Mfg	4500	4440	4450	4450
NEC	1560	1540	1560	1540
Nikon	1880	1850	1870	1870
Nikko Sec	707	693	700	707
Nintendo	9480	9360	9480	9370
Nipp Express	910	893	910	902
Nippon Oil	636	625	625	635
Nippon Steel	363	355	358	357
Nissan Motor	851	822	833	855
NKK	242	238	239	242
Nomura Sec	1540	1510	1520	1550
NTT	1100b	1080b	1090b	1090b
NTT Data	4450b	4360b	4440b	4500b
Oji Paper	700	689	699	691
Osaka Gas	329	325	329	328
Ricoh	1510	1480	1500	1490
Rohm	11700	11600	11700	11500
Sakura Bk	855	830	837	864
Sankyo	3970	3850	3930	3840
Sanwa Bank	1670	1630	1660	1650
Sanyo Elec	510	502	502	507
Secom	8450	8330	8340	8350
Seibu Rwy	5700	5600	5630	5550
Sekisui Chem	1180	1160	1180	1170
Sekisui House	1200	1180	1190	1170
Seven-Eleven	8720	8550	8670	8550
Sharp	1560	1530	1550	1540
Shikoku El Pwr	1970	1960	1970	1950
Shimizu	678	670	678	670
Shin-etsu Ch	3020	2930	2970	3020
Shiseido	1870	1840	1860	1860
Shizuoka Bk	1300	1280	1290	1300
Softbank	7390	7300	7300	7330
Sony	9890	9550	9770	9930
Sumitomo	1060	1040	1060	1060
Sumitomo Bk	1850	1810	1820	1830
Sumit Chem	508	501	504	508
Sumitomo Elec	1910	1880	1900	1910
Sumit Metal	322	316	321	319
Sumit Trust	1200	1150	1170	1200
Taisho Pharm	3070	3010	3070	3020
Takeda Chem	3250	3190	3220	3180
TDK	8550	8470	8490	8460
Tohoku El Pwr	2030	2000	2000	2000
Tokai Bank	1160	1120	1140	1140
Tokio Marine	1460	1430	1430	1440
Tokyo El Pwr	2400	2380	2390	2380
Tokyo Electron	5590	5510	5520	5570
Tokyo Gas	318	314	316	315
Tokyu Corp.	682	667	678	681
Tonen	1330	1290	1320	1310
Toppan Print	1800	1770	1790	1770
Toray Ind	821	811	815	814
Toshiba	726	712	716	726
Tostem	3090	3050	3070	3040
Toyo Trust	950	921	921	947
Toyota Motor	3370	3310	3370	3330
Yamanouchi	3090	3020	3060	3070

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6517.50 — Previous: 6437.74

	High	Low	Close	Prev.
Abitibi Cons.	25½	24.65	25½	24.65
Alberta Energy	35.05	34½	35	34¼
Alcan Alum	47.90	47.15	47.20	47.10
Anderson Expl	18.20	17¼	18.20	17.80
Bk Montreal	55.15	53.85	54.80	53.90
Bk Nova Scotia	62½	60¾	62¼	60½
Barrick Gold	30.45	30.05	30.10	30.05
BCE	40.05	38.80	39.90	38.40
BC Telecomm	32¼	32½	32¼	32.40
Biochem Pharm	28.35	28.35	28.35	30.30
Bombardier B	31.90	31½	31.55	31.30
Brascan A	34.05	34.05	34.05	34.15
Cameco	52¼	50.80	51	51¼
CIBC	35.95	35¼	35.70	34.80
Cdn Natl Rail	60¼	60¼	60¼	60.20
Cdn Nat Res	36	35.70	35¼	35.85
Cdn Occid Pet	31.55	30.95	31.40	31
Cdn Pacific	39.85	39.40	39.85	39.30
Cominco	37½	37.05	37.35	36¼
Dofasco	27½	26¼	27.05	26.15
Domtar	12.05	11.80	11.80	12.20
Donohue A	30	29¾	29.95	30
Du Pont Cda A	30	29¼	29¾	30
Edper Group	23.10	22¾	23.05	23.05
EuroNev Mng	42.80	42.05	42.65	42½
Fairfax Finl	400	395	395	400
Falconbridge	27	26.80	26.85	27.10
Fletcher Chall A	23¼	23	23½	23¼
Franco Nevada	69.70	68.90	69.70	69¼
Gulf Cda Res	11.35	11.05	11½	11.30
Imperial Oil	71	70½	71	70¼
Inco	41¼	40.95	41	41¼
IPL Energy	47½	46	47¼	46.15
Laidlaw B	19.15	18.95	18.95	19.05
Loewen Group	47.55	47.10	47.45	47.90
Macmill Bldl	19	18.85	18.85	18.95
Magna Intl A	83¾	82	83.65	83
Methanex	12¼	12½	12¼	12.80
Moore	27½	27.10	27.20	27.20
Newbridge Net	61.40	60¾	61.30	59.20
Noranda Inc	30¾	29.40	30¾	29¾
Norcen Energy	34¼	32.80	34¼	32.90
Nthern Telecom	130½	127¾	130	124.45
Nova	11.85	11¼	11.85	11.80
Onex	27¾	27½	27.60	27½
Pancdn Petlm	29	27¾	28.20	27
Petro Cda	22.80	22.40	22.65	22.45
Placer Dome	22.55	22.20	22¼	22.40
Poco Petlm	14.15	13.90	14.15	14.15
Potash Sask	101.45	99	99	103.95
Renaissance	38½	38	38.15	38.40
Rio Algom	34¼	33.35	34¼	33.70
Rogers Cantel B	26.30	26	26	26
Seagram Co	56¼	55.20	56.05	55½
Shell Cda A	21	20¼	20¾	21¼
Suncor	37.40	37	37	37
Talisman Eny	44½	42.55	44¼	42.45
Teck B	27.90	27.70	27.80	27.95
Teleglobe	56	55.15	56	55
Telus	26.80	25½	26.65	25.35
Thomson	34.30	32.35	34¼	31.80
TorDom Bank	41.90	41.15	41.65	40.90
Transalta	16.60	16.40	16.55	16.45
TransCda Pipe	28.20	27.70	28.15	27¾
Trimark Finl	63	61½	62¾	63
Trizec Hahn	30.20	29.45	30.05	28.30
TVX Gold	7.30	7.20	7.30	7.30
Westcoast Eny	25½	25¼	25½	25.30
Weston	89¼	89	89.70	88¼

The Trib Index — Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	176.92	+1.42	+0.81	+18.63
Regional Indexes				
Asia/Pacific	131.92	+0.52	+0.40	+6.88
Europe	183.25	+1.18	+0.65	+13.68
N. America	204.50	+2.29	+1.13	+26.30
S. America	176.66	+2.35	+1.35	+54.38
Industrial Indexes				
Capital goods	219.66	+3.42	+1.58	+28.52
Consumer goods	198.75	+1.65	+0.84	+23.12
Energy	196.49	+0.79	+0.40	+15.10
Finance	133.12	+0.47	+0.35	+14.31
Miscellaneous	178.28	+0.75	+0.42	+10.20
Raw Materials	190.94	+1.47	+0.78	+8.87
Service	167.52	+1.97	+1.19	+21.99
Utilities	175.85	+0.75	+0.43	+22.58

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg News*

Vienna — ATX index: 1364.75 — Previous: 1339.87

	High	Low	Close	Prev.
Boehler-Uddeh	1020	984	1005	980.20
Creditanst Pfd	494.80	489.50	494	486.85
EA-Generali	3390	3317	3350	3310
EVN	1654	1617	1640	1610
Flughafen Wien	545	530	538.40	527.80
OMV	1650	1602	1614	1603.05
Oest Elektriz	888	874.05	874	878.50
VA Stahl	590	570	584	568.10
VA Tech	2410.50	2345	2392	2302
Wienerberg Bau	2635	2587	2615	2595

Wellington — NZSE-40 index: 2493.16 — Previous: 2490.86

	High	Low	Close	Prev.
Air N Zeald B	4.50	4.48	4.50	4.50
Brierly Invt	1.44	1.42	1.42	1.43
Carter Holt ord	3.75	3.70	3.72	3.70
Fletch Ch Bldg	4.36	4.30	4.32	4.35
Fletch Ch Eny	4.65	4.60	4.63	4.57
Fletch Ch Forst	2.22	2.15	2.18	2.14
Fletch Ch Paper	3.54	3.49	3.52	3.49
Lion Nathan	3.77	3.73	3.75	3.74
Telecom NZ	7.60	7.53	7.54	7.55
Wilson Horton	11.65	11.65	11.65	11.60

Zurich — SPI index: 3585.26 — Previous: 3568.46

	High	Low	Close	Prev.
ABB B	2249	2208	2239	2206
Adecco B	564	552	561	548
Alusuisse R	1530	1503	1505	1516
Ares-Serono B	2290	2196	2290	2205
Alel R	N.T.	N.T.	N.T.	860
Baer Hdg B	2235	2205	2214	2215
Baloise Hdg R	3475	3430	3470	3490
BK Vision	1199	1195	1196	1195
Ciba Spec Chem	139.25	135.50	139	135
Clariant R	978	967	971	972
Crd Suisse Gp R	194.75	191	194.50	192
Elektrowatt B	541	540	540	541
Ems-Chemie	6520	6450	6485	6500
ESEC Hdg	4800	4750	4755	4800
Holderbank B	1383	1355	1358	1371
Liechtenst LB B	553	552	552	553
Nestle R	1949	1922	1937	1914
Novartis R	2360	2343	2351	2344
Oerlikn Bueh R	174	170.50	172	168
Pargesa Hld B	1935	1886	1925	1955
PharmVisn B	841	830	840	839
Richemont A	2290	2254	2261	2240
Pirelli PC	287	285	287	285
Roche Hdg PC	13370	13200	13300	13300
SBC R	396	391	395	393.50
Schindler PC	1864	1832	1832	1860
SGS B	3100	3030	3035	3055
SMH B	838	825	838	836
Sulzer R	1280	1250	1269	1250
Swiss Reins R	2087	2069	2085	2091
Swissair R	1716	1672	1715	1673
UBS B	1710	1675	1680	1694
Winterthur R	1300	1284	1288	1295
Zurich Assur R	595	588	591	590

هكذا من الاصل

هكذا من الأصل

Bangkok Holds Its Breath

Floating of Baht Is Seen as 'Crazy' or 'Brave'

By Seth Mydans
New York Times Service

Connoisseurs in Bangkok know that one of the city's best wine cellars and one of its best collections of expensive cigars can be found in a hushed and softly lit Volvo showroom in the center of town.

A jazz band plays in the background as diners savor European cuisine at linen-covered tables. Money is no object, it seems, either for the showroom's visitors or its owners. The expensive sedans parked just across the polished wood floor are little more than ornaments.

For a decade now, Bangkok has been awash in more money than it sometimes seems to know what to do with. With the fastest-growing economy in this fast-growing region, Thailand has been one of Asia's free-market success stories.

But over the past year, the economy has begun to contract, and people here are worried. Exports are down sharply, the budget is facing a deficit for the first time in a decade and growth slowed to 6.7 percent last year, from 8.5 percent in 1995.

The stock market has dipped to eight-year lows, the current-account deficit has risen and bad loans to the property sector have brought a crisis to financial institutions.

On Wednesday, after weeks of suspense and rumors, Thailand took a difficult and controversial step that many economists had been demanding, effectively devaluing its currency for the first time in 14 years. The government announced that it would allow the currency — the baht — to float within a broader range against the dollar and other currencies. At the same time, to protect against continuing speculative attacks on the currency, the central bank raised its benchmark interest rate by two points, to 12.4 percent.

The value of the baht immediately dropped by nearly 20 percent, to 29.50 against the dollar. The stock market rose on the news, but with many Thai companies carrying heavy foreign-currency debt, the long-range consequences of the devaluation were still in question.

It was an unexpectedly decisive step by a government that has come under criticism for its vacillation in the face of growing economic problems. Its success could determine the future of the shaky seven-month-old coalition government led by Prime Minister Chavalit Yongchaiyudh.

"It was a very risky move — courageous and risky," said a Western economist. "The consequences are totally unknown. It's an extremely fluid situation. You have to admire Chavalit. Either he's crazy or he's very brave."

Some economists had argued against a devaluation, saying it would create serious difficulties for many companies that relied on foreign-currency dealings and for manufacturers that imported components from abroad. Some warned that devaluation could bring inflation and the danger of a recession.

Thai companies and individuals currently hold about $70 billion in foreign debt. A devaluation of 10 percent would mean the debt jumps by $7 billion, an increase that could be fatal to many banks and property companies.

The devaluation was the latest signal to Thailand's expanding wealthy class that the country's growth is not cost-free and that the time has come to bring their spending under control.

Around Southeast Asia — in rapidly growing countries like the Philippines, Malaysia and Indonesia — it was also the latest sign of a new "Thai model" of overbuilding and overextended property investments that must be avoided.

Like Thailand, though to a lesser extent, banks in these countries have extended large loans to their fast-expanding property markets, risking similar financial problems among the lenders.

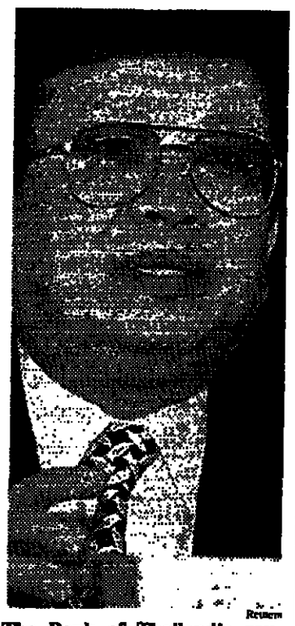
In the capital city of Bangkok, where most of Thailand's new wealth is centered, this economic picture takes graphic form. Above the proliferating wine bars and automobile showrooms, an overpowering new skyline has emerged. The hundreds of imposing modern buildings are filled with enough unsold space to satisfy the city's residential and commercial needs for the next five years, according to some estimates.

And the building boom continues. There is so much dust in the city's air that construction has become one of Bangkok's leading causes of pollution.

The surprise moves announced Wednesday came after repeated, unequivocal assurances by the government that the baht would not be devalued. That alone could be taken by critics as an indicator of the unreliability of the country's economic managers, the Western economist, who spoke on condition of anonymity, said.

When he took office last week, Thailand's new finance minister, Thanong Bidaya, promised investors that there would be no sharp changes in economic policy.

And a few days ago, Mr. Chavalit repeated the assurances in a nationally televised speech, saying, that if the currency was devalued, "we will all become poor."



Reuters

The Bank of Thailand's governor, Rerngchai Marakanond, announcing the currency move.

Australia's Economy Picking Up

Strong Sales Lower Chances of Rate Cut

Bloomberg News

SYDNEY — Australia got a slew of good economic news Wednesday as reports showing better-than-expected retail sales and building approval results in May pointed toward an improving economy.

Treasurer Peter Costello, meanwhile, said an upgrade in Australia's credit rating to the top AAA rating could occur in six months since Moody's Investors Service Inc. had raised its "outlook" on Australia because of its steady fiscal policies and prudent interest-rate strategy.

Retail spending rose 2.9 percent in May to 10.59 billion Australian dollars ($7.97 billion), while building approvals rose 2.2 percent the same month to 12,327 — their highest level since May 1995. The permits were valued at 2.35 billion dollars.

The figures "argue against another rate cut," said Anthony Thompson, an economist at HSBC Australia.

The central bank last cut the interest rate it charges banks for overnight cash — the benchmark for bank loans to consumers — on May 23 by a half-point to 5.5 percent.

The reports followed the announcement Tuesday of a record monthly trade surplus in May of 873 million dollars.

In addition, Moody's said the new credit outlook for Australia reflected an improved budget.

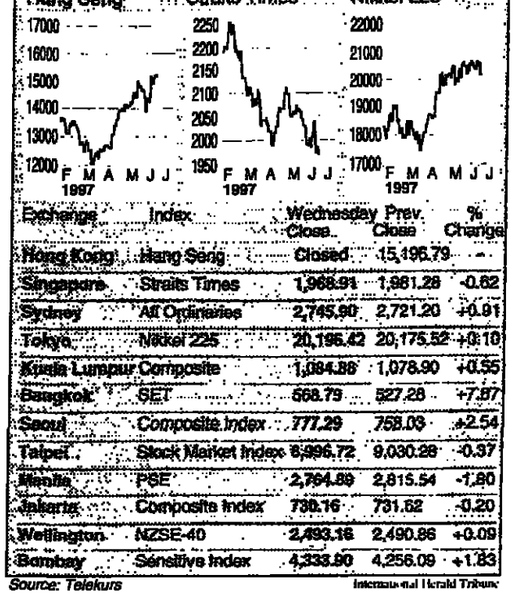
The government plans to have a surplus of 1.6 billion dollars in the year starting July 1, 1998, compared to 3.9 billion dollars in the year that began Tuesday.

■ 4 New Telecom Licenses

The Australian communications minister, Richard Alston, said Wednesday that four companies had won licenses to build and operate networks in the newly deregulated telecommunications industry, Bloomberg News reported from Canberra.

The Australian Communications Authority gave the licenses Tuesday to AAPT Ltd., which is majority-owned by AAP Information Services Pty..; Primus Axicorp, a subsidiary of Primus Telecommunications Group Corp.; Optus Vision, a branch of Optus Communications Pty., and Telstra Multimedia, part of the government-owned Telstra Corp., which currently dominates the telecommunications market in Australia.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	15,196.79	–
Singapore	Straits Times	1,968.91	1,981.28	-0.62
Sydney	All Ordinaries	2,745.90	2,721.20	+0.91
Tokyo	Nikkei 225	20,196.42	20,175.52	+0.10
Kuala Lumpur	Composite	1,084.88	1,078.90	+0.55
Bangkok	SET	568.79	527.28	+7.87
Seoul	Composite Index	777.29	758.03	+2.54
Taipei	Stock Market Index	8,996.72	9,030.28	-0.37
Manila	PSE	2,764.89	2,815.54	-1.80
Jakarta	Composite Index	730.16	731.62	-0.20
Wellington	NZSE-40	2,493.18	2,490.86	+0.09
Bombay	Sensitive Index	4,333.90	4,256.09	+1.83

Source: Telekurs International Herald Tribune

Very briefly:

• **Hong Kong**'s chief executive, Tung Chee-hwa, said a blueprint aimed at solving the territory's chronic housing problems would be drawn up within three months, but he declined to say what action was planned.

• **Nomura Securities Co.** executives were questioned by the Tokyo police about possible bribes to government officials. The authorities are investigating whether the company gave politicians and bureaucrats first crack at buying popular new stock issues, guaranteeing them a profit.

• **Nippon Broadcasting System Inc.** shares rose 3.8 percent on news that **Fuji Television Network Inc.** will be publicly listed next month. Japanese media reported that Fuji will begin trading on the Tokyo Stock Exchange on Aug. 8. Nippon closed up 200 yen, at 12,700 ($110.63).

• **South Korean** semiconductor manufacturers said a decision by **Motorola Inc.** to stop making dynamic random access memory chips would do little to reduce excess capacity. The American company will stop making the chips at the end of the year, taking a pretax charge of $170 million to exit the loss-making business

• **Acer Group** promoted Simon Lin to vice chairman of its U.S. affiliate in a bid to strengthen its money-losing operations in the world's biggest computer market.

• **Thai** vehicle exports in the first five months of 1997 rose six-fold from a year earlier. The Federation of Thai Industries said exports through May reached 11,740 vehicles, an increase of 646 percent. The value of the exports rose 871 percent, to 3.75 billion baht ($151.8 million).

• **B** shares traded in **Shanghai** fell to near eight-week lows on concerns that euphoria related to Hong Kong's return to China will fade and that Beijing will renew a crackdown on stock speculation. The B-share index, which tracks stocks available to foreigners, fell 3.4 percent, to 79.69. Trading in B shares was suspended in **Shenzhen** because of a holiday in Hong Kong.

• **Mitsubishi Motors Australia** plans to increase production almost 50 percent at its Adelaide plant to meet demand for its Magna and Verada autos worldwide. It aims to produce 61,500 vehicles there this year, up from 43,500 in 1996.

• **Queensland Cotton Ltd.** of Australia predicted that cotton prices will decline over the next two years in the face of competition from artificial fibers. *Bloomberg, AFP*

Inflation Tamed, Indonesia Outlook Is 'Ideal'

Bloomberg News

JAKARTA — Indonesia's inflation rate slowed to 5.1 percent in June, while the country's merchandise trade surplus more than doubled in April, the government said Wednesday.

The inflation figure was better than many analysts had expected. "They've managed the inflation outlook very well," said Bruce Rolph, head of equities at PT Bahana Pembinaan Usaha Indonesia, a government-owned securities firm.

The government's success in controlling inflation — which threatened to rise into double digits last year — has been a key to the soaring stock market of 1997, Mr. Rolph said. "You're looking at better than 7.5 percent economic growth over the next two years, so it's an ideal situation for stocks." He said he expected the benchmark index to "easily" increase 9.6 percent by the end of the year, to 800 points.

On Wednesday, the benchmark Jakarta composite index slipped to 730.16 from a record 731.62 on Tuesday.

The June inflation rate was the third-lowest in 17 months, down from 5.2 percent in May and 7.5 percent in June of 1996.

"The numbers look good, and they're telling investors to stay put in Indonesia for now," said K.F. Liew, an economist at Rashid Hussain Securities in Kuala Lumpur.

Indonesia's merchandise trade surplus jumped to $590 million in April, from a 10-month low of $243.3 million in March. Economists said the surplus in merchandise trade should help ease concerns about a widening current-account deficit. The current account is a broader measure of trade and includes services and investment.

The trade surplus was $340 million in April 1996.

While low inflation and a bigger surplus are good news for the Indonesian economy, Mr. Liew said he was concerned inflation could accelerate in coming months.

"We've had a large wage increase; that's got to show up sometime," he said. Indonesian wages were increased by an average 10.1 percent on April 1. "I don't smell smoke yet," he said.

Indonesia has traditionally relied on large merchandise trade surpluses to help balance the annual deficit it runs in its capital account, which measures trade in financial and other services.

Last month, the World Bank said in its annual report on Indonesia that the current-account deficit would likely widen to $10.10 billion in the year ending March 31, 1998, up from $8.80 billion in the last fiscal year.

The rising current-account deficit "is one of the flies in the ointment," Mr. Rolph said. Still, he did not think it would rise fast or far enough to undermine the other positive elements in the economy.

WINE: *'Plonk' Found Pleasing*

Continued from Page 13

this year from Languedoc, whose 300,000 hectares (741,000 acres) of grape plantings represent twice the vineyard space in California.

Australia's BRL Hardy buys in bulk from Languedoc, and Southcorp Holdings Ltd., Australia's largest wine enterprise, has a joint venture with Val d'Orbieu, a huge Languedoc agent which itself exports more than 200,000 cases a year to the United States.

The new venture, Penval Wines, produces an array of Languedoc wines, 198,000 cases of which is heading to European and American markets this year.

"In Languedoc, we're freer than in an appellation controllee region," said Penval's president, Bernard Schurr. "We can experiment, for example do a cabernet-syrah blend for the U.S. and U.K. markets, which you couldn't do anywhere else in France."

The excitement over single-grape wines is being watched warily in Bordeaux, which is fiercely proud of its most famous appellations, among them Pauillac, Margaux, Pomerol and Sauternes, which are almost always made from blends of different grapes.

"If a Bordeaux cabernet reinforces the popularity of Bordeaux wines, that's fine, but in the prestige appellations I'm hostile to the idea because we achieve our wonderful complexity by blending grape varieties," said Hubert de Bouard de Laforest of Chateau Angelus in Saint-Emilion.

"I think the combination of Bordeaux and grape varieties on labels could be rather interesting," said Jean-Marie Chadronnier, head of Dourthe Freres, a Bordeaux wine agent. "What I oppose is the idea of varietals leading to low-end Bordeaux wines. Bordeaux must never lose its soul."

But the demand for varietal wines has already pushed some prominent Bordeaux producers to market single-grape wines.

Baron Philippe de Rothschild SA, whose properties include the prestigious Mouton-Rothschild, began selling four varieties of Languedoc wines for between $6 and $9 a bottle 15 months ago, exporting 250,000 cases.

Cos d'Estournel, another elite Bordeaux chatean, began marketing a line of single-grape wines for export last year.

"American consumers want more information about their wine — if it's red, what's the grape variety, where it comes from, who's the maker," said Jean-Guillaume Prats, who runs the chatean with his father. "The French consumer only wants to know where it's from."

Sony Plans Direct Sales of PCs

Bloomberg News

Sony Corp. plans to begin direct sales of personal computers in competition with such manufacturers as Dell Computer Corp. and Gateway 2000 Inc.

One year after it introduced its first personal computers in the United States, the Japanese consumer-electronics giant said Tuesday it was making plans to sell personal computers, Trinitron computer monitors and other products directly to consumers, said a spokesman for Sony Electronics in San Jose, California.

Analysts said Sony probably would not pose a significant threat to other personal-computer makers. "We really have not seen them materially impact" the market, said Jeff Baker, analyst at Principal Financial Securities in Dallas. "Their systems are priced so much higher than what Compaq, Dell and all the others are selling."

The Sony spokesman said the company envisioned direct sales as a complement to its network of retail dealers, and would not compete with them.

Avis de Presse/Bekanntmachung
Pharma/wHealth (FCP)
(WKN 973039)

Der Verwaltungsrat der Pharma/wHealth Management Company S.A., Luxemburg, Verwaltungsgesellschaft des Fonds Commun de Placement Pharma/wHealth, gibt hiermit bekannt, daß gemäß einem Verwaltungsratsbeschluß vom 10.06.1997 und in Übereinstimmung mit Artikel 7 des Verwaltungsreglements des o.g. Fonds die Berechnung des Inventarwertes ab dem 01. Juli 1997 täglich erfolgt.

Luxemburg, den 17 06 1997.

Pharma/wHealth Management Company S.A.
Der Verwaltungsrat

FIDELITY WORLD FUND
Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
B.P. 2174, L-1021 Luxembourg
R.C. No B 9497

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity World Fund Sicav ("the Company") will be held at the registered office of the Company in Luxembourg on July 14, 1997 at 11.00 a.m. to consider the following agenda:

1. To resolve to liquidate Fidelity World Fund.
2. To appoint Fidelity Investments Luxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the liquidation procedure.
3. To fix the date of the second Shareholders' Meeting to hear the Report of the Liquidator and to appoint Coopers & Lybrand as the Auditors of the Company.
4. To fix the date of the third Meeting of Shareholders to hear the Report of the Auditor and to decide the close of the Liquidation of the Company.

In order to deliberate validly on item 1 of the agenda, at least 50 % of the shares issued must be represented at the Meeting, and a decision in favour of the Resolution must be approved by Shareholders holding at least 2/3 of the shares represented at the Meeting.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3 %) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

Dated: February 19, 1997
By Order of the Board of Directors

Fidelity Investments

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Public Enterprise of PTT Traffic, Srbija

has sold a 49% strategic equity stake in

Telekom Srbija a.d.

on behalf of
The Government of the Republic of Serbia
for

DEM 1,568,000,000

jointly to

Telecom Italia S.p.A. (29%)
Hellenic Telecommunications Organisation S.A. (20%)

NatWest Markets acted as financial and telecommunication sector adviser to
Public Enterprise of PTT Traffic, Srbija

NATWEST MARKETS

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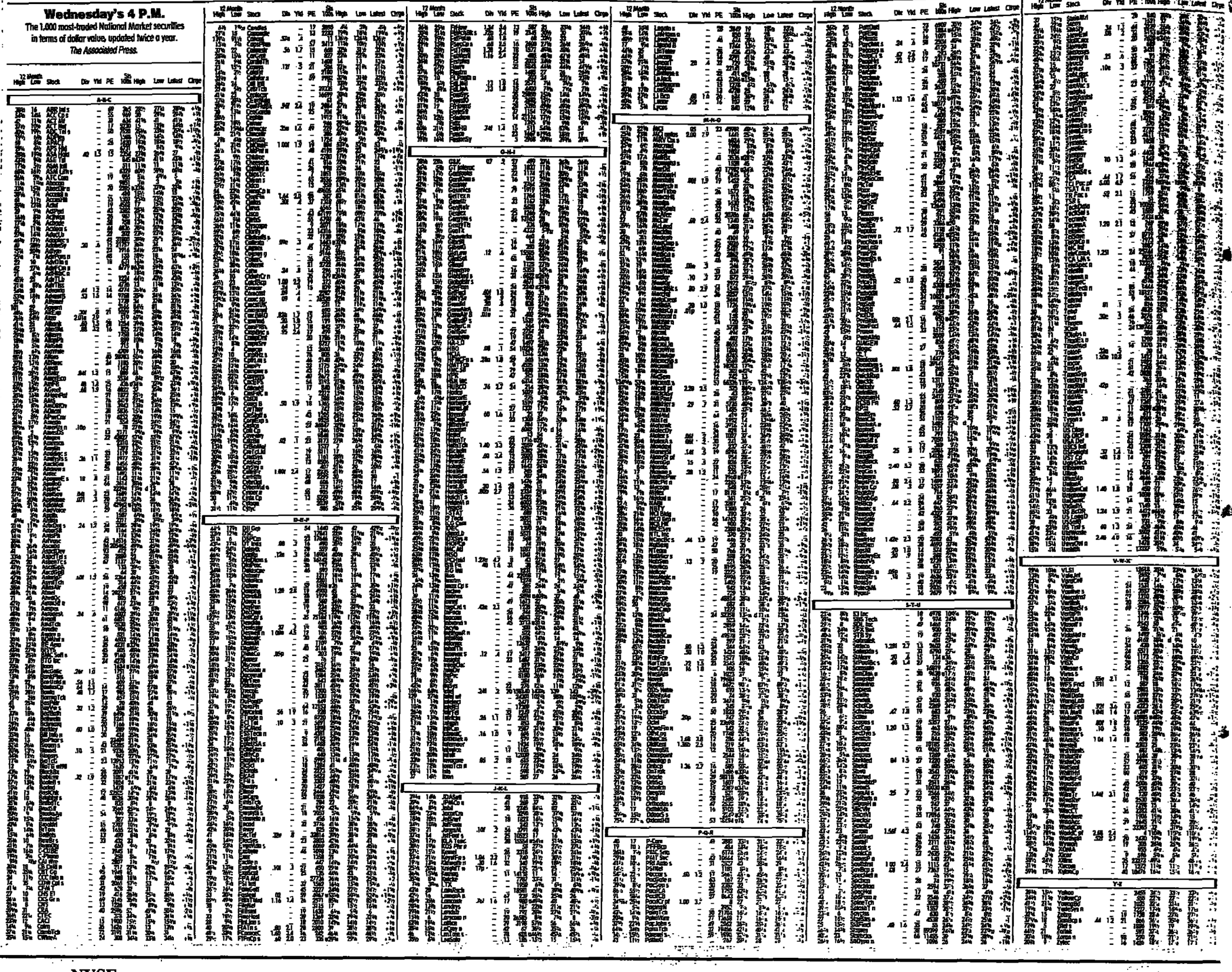
NASDAQ

Wednesday's 4 P.M.

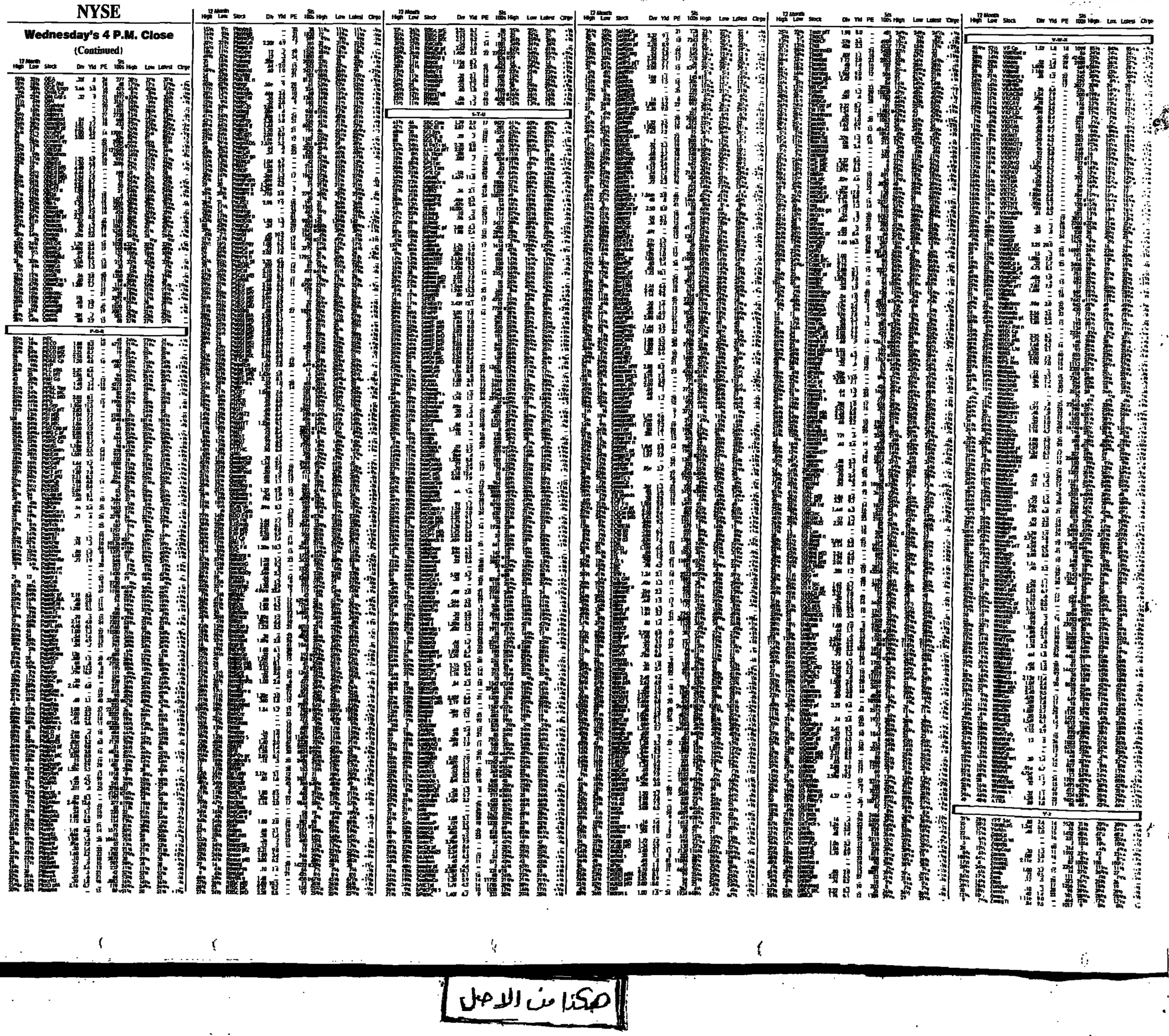
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Wednesday's 4 P.M. Close

(Continued)



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July 2, 1997

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m Chorus International Ltd $ 116.74
m Kolayar Intl Ltd $ 103.69
m Potsar (Multi) Ltd $ 127.12

006 AEB WORLDFOLIO MUTUAL FUNDS
d $ Daily Income $ 1.00
d DM Daily Income DM 1.00
d $ Bond Income $ 20.78
d Non - $ Bonds $ 31.47
d Global Bonds $ 34.84
d Global Balanced $ 25.06
d Global Equities $ 28.66
d US Conservative Equities $ 27.82
d US Aggressive Equities $ 26.57
d European Equities $ 18.17
d Pacific Equities $ 14.28
d Natural Resources $ 8.81
d Asia Growth Co $ 18.59
d Emerg Market Dob $ 16.60

007 AIG ASSET MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 42.3826
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AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

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WORLD ROUNDUP

Pay-Per-Chew Record

BOXING The Mike Tyson-Evander Holyfield bout, in which Tyson bit off a piece of the champion's ear, set pay-per-view records in the United States.

A spokesman for the Showtime cable network said Tuesday that preliminary numbers showed that the fight was purchased by from 1.8 to 1.9 million people, breaking the 1.6 million record set by the first Tyson-Holyfield match in November.

The heavyweight title fight carried an average price of $49.95 in the United States, although some cable systems charged as much as $54.95. *(AP)*

• In the Philippines, one Tyson fan was shot and killed, another was bitten on the ear and a third lost his girlfriend all because of the title fight against Holyfield, a Philippine newspaper reported Wednesday.

Baldwin Bacani, a Holyfield fan, was shot and killed by his uncle in the northern town of Munoz. The two had been drinking with friends after watching the fight on television, the newspaper Today said, quoting police reports. In the same town, an unidentified fan engaged in a heated argument with his neighbor, Manny Reyes, after Tyson was disqualified. The fan bit Reyes's ear during a scuffle.

Another Tyson fan, who was courting a village girl in nearby San Isidro, also came to grief.

The girl's father, a Holyfield fan furious at Tyson's ear-biting incident, barred him from seeing his daughter again. *(Reuters, AFP)*

• The maker of processed dog treats is shipping a bucket of its best-selling pigs' ears to Tyson.

"Pigs' ears have become the hottest dog chew treat of the '90s," said Miles Handy, president and founder of Oink-Oink Inc. "We figured that if Mike Tyson has to bite ears, it would be much better for all concerned if he picked up one of our pigs' ears instead of sinking his teeth into one of his opponents." *(AP)*

Sa Pinto Flees Portugal

SOCCER Ricardo Sa Pinto, who was suspended from the Portuguese national team after assaulting the coach, Artur Jorge in March, has agreed a move from Sporting Lisbon to Real Sociedad of San Sebastian in Spain — but he might never play for them.

The disciplinary commission of the Portuguese Soccer Federation is expected to announce the result of its investigation into Sa Pinto's conduct on July 10, and it has been reported in Portugal that they will suspend him for 13 months.

• A Paris court on Wednesday ordered French soccer international Patrice Loko to pay 22,000 francs ($3,800) in damages to a dozen policemen he insulted after they arrested him for running amok two years ago. *(Reuters)*

Vieri Joins Atletico

SOCCER Juventus, the Italian champion, said Wednesday it had sold striker Christian Vieri to Atletico Madrid for $20 million and signed Uruguyan striker Daniel Fonseca from Roma.

Luciano Moggi, the Juventus general manager, declined to say how much the club had paid for Fonseca. He said Vieri had signed a four-year contract with the Spanish team.

Moggi said Juventus had not wanted to sell Vieri, a powerful center forward.

"It was his own decision to go," Moggi said. *(Reuters)*

Haley Plans to Retire

FOOTBALL Charles Haley, a defensive end who is the only player in the NFL to win five Super Bowl rings, will retire before the start of the Dallas Cowboys' season because of back injuries. *(AP)*

Two 16-Year-Olds Set for Centre Court Semifinal

By Ian Thomsen
International Herald Tribune

WIMBLEDON, England — The menu for Wednesday at Wimbledon: One "tasty dish" and two leftovers. The "dish," to steal a term from the British tabloids, so besotted with her, was Anna Kournikova, the 16-year-old Muscovite. Her boyfriend is Sergei Fedorov, 27, a Russian ice hockey star.

Their relationship was made public last month when the Detroit Red Wings were celebrating their National Hockey League championship with a parade. Sitting in a car with Fedorov, a Detroit winger, was Kournikova.

So the scene at Centre Court Wednesday seemed like a return-of-serve:

WIMBLEDON

Kournikova was making it to the first semifinal of her young career — having done so at the world's greatest tournament, via an upset of the French Open champion — and applauding her from the family section was Fedorov. He raised his hands to her as if lifting the Stanley Cup over his head again, but afterwards he avoided discussing their provocative relationship. "I'm sorry, I have no comment for you," he said. "I'm just here on vacation. I try to rest."

Kournikova, who turned 16 last month, will meet No. 1 Martina Hingis of Switzerland in the semifinals. Either of them could become the youngest Wimbledon singles champion of the open era, as Hingis is just four months older. She has won all three of her grand slam matches against Kournikova, two of them against at junior level.

Hingis had no trouble in her 6-3, 6-2 quarterfinal victory over her friend, Denisa Chladkova of the Czech Republic. In the other semifinal, a meeting of "older" ladies, No. 3 Jana Novotna will meet No. 8 Arantxa Sanchez Vicario, the runner-up for the last two years. Novotna beat Yayuk Basuki of Indonesia, 6-3, 6-3, and Sanchez Vicario moved past Nathalie Tauziat of France, 6-2, 7-5.

Kournikova knocked out Iva Majoli, the No. 4 seed, 7-6 (7-1), 6-4 before a late-arriving audience that included former president George Bush and his wife, Barbara. The patrons of the Royal Box seemed to take great pride in his presence — and even more so that he had been seated in the second row.

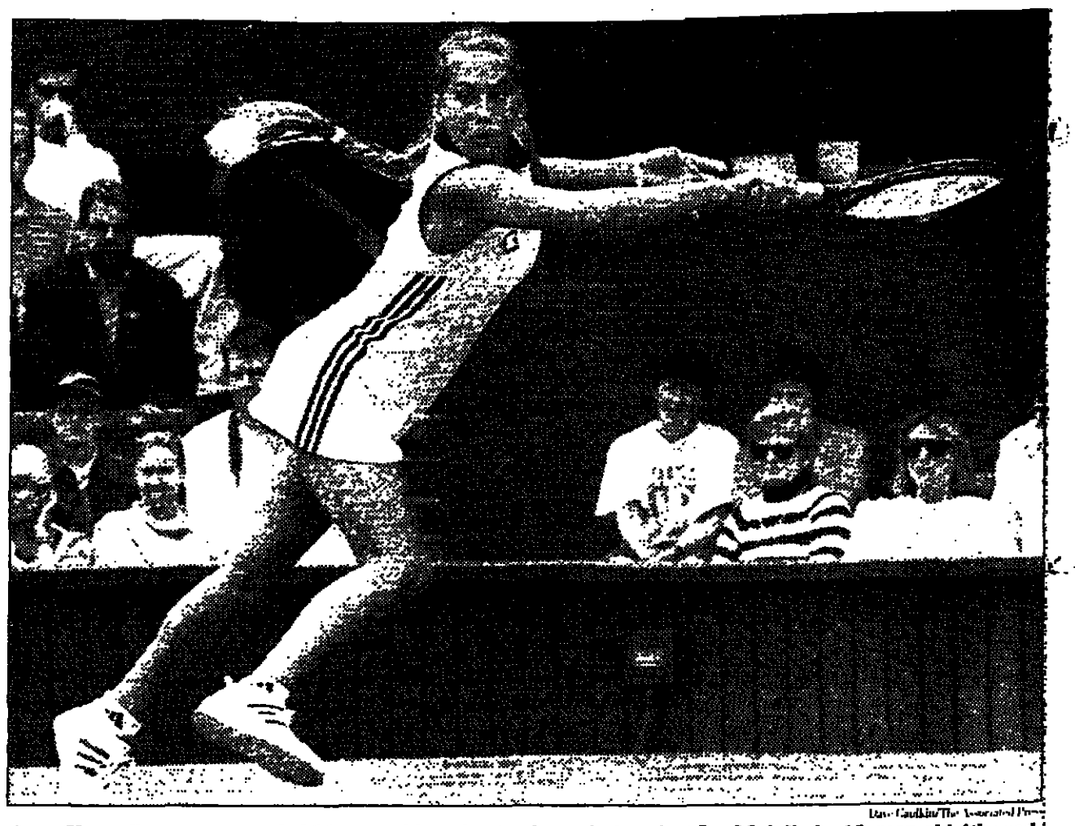
The Russian easily outran the 19 year old Majoli, but the shock was how well she out-hit Majoli. When Kournikova, the world No. 42, connected with a forehand it seemed to jolt her for an instant, the ball stayed on her racket and she was frozen — and then it was gone, one skipping hop past Majoli and off the back wall. Kournikova and Majoli were both students of Nick Bollettieri's tennis academy in Florida. Afterwards he said, "It's important to be around winners and Sergei has won a Stanley Cup. I believe Federov does very well for Anna, he's laid-back and calm, and that helps Anna tremendously."

Federov and Kournikova met in America, but they both came from poor backgrounds in Russia. With this victory the blonde Kournikova nominated herself to the game's next glamorous star. "We're playing a ladies' sport, and it should look like we're ladies out there on the court," she said.

"Anna Kournikova is probably the most beautiful girl I've ever worked with," Bollettieri said. But the public fascination with her beauty won't diminish her ambition, he predicted. "She's on a mission. She's going to be around for several years. Her main focus is she wants to be No. 1 in the world."

As for the two leftovers, No. 14 Tim Henman of Britain and the American No. 1 Pete Sampras, both finished off the fourth-round matches they had begun so promisingly Tuesday. Sampras found his — a 6-4, 6-3, 6-7 (8-10), 6-7 (1-7), 6-4 victory over Petr Korda — a little tough. Up a break in the second set when play resumed Wednesday, Sampras was two points from a clean sweep before letting waste a 5-1 lead in the tiebreaker. The 29-year-old Czech literally went hopping and dancing into the final set, but it's not smart to aggravate Sampras. He broke Korda immediately in the fifth set and then muzzled him, allowing Korda only two points against Sampras' serve for the remainder.

"Probably I think he used a lot of energy today," Korda said. "I don't know if he's going to miss that tomorrow."



Dave Caulkin/The Associated Press

Anna Kournikova, an unseeded 16-year-old, racing to play a shot against Iva Majoli, the 19-year-old 4th seed.

That will sound fine to Boris Becker, the No. 8 seed, who has yet to lose a set and spent Wednesday resting for his momentous quarterfinal against Sampras, who would rather have been meeting the three-time champion a round or two further along.

"For the rest of his career, Boris should be seeded in the Top 4 no matter what he's ranked — he got to the finals here seven times, he's won here three times," said Sampras, who is seeking his fourth Wimbledon title in five years. "Walking out with Boris, a packed house — that's what the game is all about to me right now."

Sampras also was "very impressed" that Henman has been able to satisfy British expectations by advancing to his second straight Wimbledon quarterfinal, this time with a two-day, 7-6 (9-7), 6-7 (7-9), 7-6 (7-5), 6-4 victory over the defending champion, Richard Krajicek. Krajicek already looked defeated when he showed up on Centre Court to play the final anticlimactic set, having lost an argument the night before to suspend play while their fourth-round match was even at one set apiece. By the fifth game Wednesday a run of bad volleying cost Krajicek his serve. To see him refusing to look at the noisy crowd around him, at 6 feet 5 inches (1.96 meters) keeping his head down between points, stifling his personality to prevent the British audience from making him a villain — was to realize that Henman has become more than a single player this week. In any other setting he is the winner of just one ATP Tour title, at Wimbledon he is a phenomenon backed by a choir of 13,000.

"If I was playing against the whole of England, I don't know," said Krajicek, who took the loss in good humor. "But I know they were very enthusiastic. The only thing I do know is that I'm not going to name my kid Tim, because I hate that name."

Francis Silvani/Agence France-Presse

Dini Kamara of Ghana, left, competing for the ball on Wednesday with Alejandro Melono Botta of Uruguay in their World Youth Cup semifinal.

Uruguay and Argentina in Final

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Uruguay and Argentina won hard-fought semifinals Wednesday to set up an all-South American final in the World Youth Championships in Malaysia.

Uruguay beat Ghana, 3-2, and the defending champion, Argentina, beat a courageous Irish team, 1-0.

WORLD SOCCER

Alvaro Perea scored in the 104th minute to see Uruguay through after Ghana had fought back from 2-0 down. Marcelo Zalayeta scored to put Uruguay ahead in the 12th minute.

Ghana twice hit goal posts before Uruguay made it 2-0 a minute before half-time, when Walter Coelho beat Ghana's goalkeeper, Osei Asamoah.

The Africans narrowed the margin a few seconds later when Odartey Lawson banged home a shot after a swift counterattack. They equalized when Uruguay's Alejandro Botta deflected the ball into his own goal.

In Kuching, a 54th minute goal by Bernardo Romeo gave Argentina a 1-0 victory over Ireland. *(AFP, AP)*

Is This Soccer or Player Abuse?

Vantage Point / **ALEX JOHNSON**

Washington Post Service

JOAO HAVELANGE, the president of FIFA, has come out with an admission that won't sit well with the money men at the headquarters of the governing body of world soccer, but then he's retiring, so he doesn't have to be politic anymore.

Havelange said recently that too much professional soccer is being played in the world. Soccer officials are sacrificing the long-term health and fitness of the players for immediate payoffs in gate receipts and the television revenue.

"Everyone — players, directors, doctors, coaching staff — wants to make money, and for that to happen, they have to play," Havelange said. "When I came to power, FIFA organized only two competitions every four years, the World Cup and the Olympic football tournament. Today, we have 11 competitions every four years."

Someone once worked out that in the course of a match, a top midfield player runs five or six miles. And that's not a steady jog. It's stopping and starting, twisting and turning, jumping and falling. Soccer makes an enormous physical demand. Asking teams to play more than twice a week is unfair and dangerous.

Last year, the English national team flew to Moldova for a World Cup qualifier (it won, 3-0). There were vacant seats on the plane for 10 players whose injuries ruled them out of that game, in only the first month of the new season.

FIFA routinely warns leagues to work rest time into their schedules. That doesn't stop confederations from piling on the tournaments, endangering the stars who are their main attractions. There is no explanation beyond money for the existence of the silly Intertoto Cup, the midsummer tournament of also-rans for three spots in the UEFA Cup.

It was plain that Ronaldo, the great young Brazilian striker, was burned out in Brazil's 7-0 thrashing of Peru in the Copa America semifinals last week, failing to score in a game in which it seemed two ball boys came off the bench and got goals.

In the last calendar year, Ronaldo has played almost 100 matches: four preseason friendlies, seven games in miscellaneous club tournaments, two Spanish Supercup games, about 40 league games, six Spanish Cup games and nine European Cup Winners Cup games with Barcelona, to go with two Olympic warmups, six Olympic games, seven international friendlies, three Tournoi de France exhibitions and six Copa America matches with Brazil.

That's cruel and, for his various employers — his club, his country and his sponsor, Nike — economically unsound in the long term. But then for Barcelona, his club last season, the long term does not matter if Ronaldo gets his wish and moves to Inter Milan.

Last summer, two Brazilian club players — the Sao Paulo midfielder Andre and the Santos defender Narciso — started a league game against each other. They left at halftime to catch a jet to Rio, then on to Moscow, for Brazil's friendly against Russia. Because the Brazilian league match had been pushed back for TV, Andre and Narciso were required to be in two places at once.

Then there's the U.S. league, Major League Soccer, which may mistreat its players worse than any other. It plays in the height of summer, something no first-rank league should do to its players. In 1994, doctors were warning teams to take extra care to protect their players during the World Cup. Those squads played only three to six games; MLS teams play 32 in brutal heat and humidity, with squads so small that they can't even field two full teams for practice.

Moreover, this season, teams routinely have to play two games in three days, and more than once, U.S. stars have played a national team game and then jetted across the country to play a club game less than 24 hours later. The league's rulers said they had commitments to use certain stadiums at certain times, but no other league seems to have such difficulty working out flexible arrangements for match dates.

"The quality of the game must be paramount and not the continued milking of football's cash cow," says Jurgen Klinsmann, the German captain. "It appears that all the financial possibilities must be taken advantage of — to the cost of the top players. It is getting very difficult to get your body through all this."

UEFA, the governing body of European soccer, encourages its leagues to limit league schedules to no more than 34 games, revoking a place in the UEFA Cup for leagues that play more. While trying to cut the number of games clubs can play under the auspices of their national associations, UEFA has increased the games in its own competitions, enlarging the European Champions Cup and creating the Intertoto Cup.

Meanwhile, FIFA, also eager to exploit the appeal of the top clubs, said this month that it planned a new world club championship, to be played during what used to be the summer break.

Even so, Havelange's underlings at FIFA are concerned. "We are not in a circus, we are in a game," says Sepp Blatter, the FIFA Secretary General. "Players need time for recuperation. There are physical and mental limits."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	52	27	.658	—
New York	46	34	.575	6½
Toronto	37	41	.474	14½
Detroit	37	42	.468	15
Boston	37	44	.457	16

CENTRAL DIVISION

Cleveland	41	35	.539	—
Chicago	40	40	.500	3
Milwaukee	37	41	.474	5
Kansas City	36	42	.461	6
Minnesota	35	45	.438	8

WEST DIVISION

Seattle	48	34	.585	—
Anaheim	42	39	.519	5½
Texas	39	41	.488	8
Oakland	35	49	.417	14

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	53	29	.646	—
Florida	48	33	.593	4½
Montreal	46	35	.568	6½
New York	45	36	.556	7½
Philadelphia	23	57	.288	29

CENTRAL DIVISION

St. Louis	40	41	.494	—
Houston	40	43	.482	1
Pittsburgh	38	43	.469	2
Cincinnati	35	46	.432	5
Chicago	33	49	.402	7½

WEST DIVISION

San Francisco	47	35	.573	—
Colorado	43	40	.518	4½
Los Angeles	40	42	.488	7
San Diego	36	46	.439	11

TUESDAY'S LINESCORES

INTERLEAGUE

Montreal	110	000	000	—2	10	0
Toronto	000	000	010	—1	2	0

Juden, Urbina (9) and Widger; Clemens, Quantrill (9) and O'Brien. W—Juden, 10-2. L—Clemens, 12-3. Sv—Urbina (15). HRs—Montreal, R. White (10). Toronto, S. Green (7).

Kansas City	001	000	000	—1	5	0
Chicago (N)	401	100	00x	—6	11	1

Rusch, J. Walker (7) and Fasano; F.Castillo, Wendell (9) and M.Hubbard. W—F. Castillo, 5-9. L—Rusch, 3-5. HR—Chicago, Glanville (2).

Anaheim	102	000	001	—4	10	1
Colorado	000	000	100	—1	6	0

C.Finley, Percival (8) and Leyritz; Burke, McCurry (6), Scott (8), S. Reed (9) and Manwaring. W—C. Finley 4-6. L—Burke 2-3. Sv—Percival (10). HRs—Anaheim, Edmonds (14), Alicea (4).

San Diego	001	301	010	—6	15	1
Oakland	000	100	34x	—8	11	1

Bergman, Brooke (5), Ti.Worrell (7), Bochtler (7), Batchelor (8) and C. Hernandez; Prieto, Mahler (6), A. Small (8) and Mayne, Ga.Williams (8). W—A. Small 6-4. L—Bochtler 1-4. HRs—Oakland, Giambi (9), Magadan (3), Brosius (5).

San Francisco	001	010	011	—4	8	0
Seattle	126	003	21x	—15	16	2

VanLandingham, Rod (3), R. Rodriguez (7), Carlson (8) and Berryhill, Jensen (7); Moyer, McCarthy (7), B. Wells (8) and Da.Wilson. W—Moyer 8-2. L—VanLandingham 4-6. HRs—San Francisco, Kent (17), Aurilia (4). Seattle, A. Rodriguez (12), Cruz Jr 2 (8), R.Davis (11).

Milwaukee	010	000	000	—1	3	0
Cincinnati	000	010	71x	—9	8	0

J.Mercedes, Florie (7), Villone (8) and Lewis; Burba and J.Oliver. W—Burba 5-8. L—J. Mercedes 3-4. HRs—Cincinnati, Pendleton (1), J. Oliver (6).

New York (NL)	000	000	042	—6	13	0
Detroit	302	101	00x	—8	11	1

B.J.Jones, Lidle (5), Acevedo (7), Kashiwada (8) and Hundley; Moehler, Brocail (8), M. Myers (9), To.Jones (9) and Casanova. W—Moehler 6-6. L—B. J.Jones 12-5. Sv—To.Jones (10). HRs—Detroit, Higginson (13), Fryman (11), Hamelin (7), Pride (2), Easley (12).

Chicago (AL)	000	000	000	—0	5	1
Pittsburgh	000	000	21x	—3	8	0

Baldwin, Karchner (7), C. Castillo (8) and Pena, Fabregas (7); Cooke, Loiselle (9) and Kendall. W—Cooke 6-9. L—Baldwin 5-9. Sv—Loiselle (8).

Florida	000	110	000	—2	9	1
Boston	200	001	22x	—9	14	0

Rapp, Hutton (4), Cook (7), Helling (7) and C. Johnson; Eshelman, Wasdin (6), Corsi (7) and Hatteberg. W—Eshelman 2-3. L—Rapp 4-6. Sv—Corsi (1).

Atlanta	000	002	001	—3	10	1
New York (AL)	001	000	000	—1	6	1

Neagle, Wohlers (8) and J. Lopez; Mendoza, Lloyd (8), Mecir (9) and Posada. W—Neagle 12-1. L—Mendoza 3-3. Sv—Wohlers (18). HR—Atlanta, Klesko (13).

Minnesota	000	000	000	—0	5	1
St. Louis	000	200	00x	—2	7	0

Hawkins, Swindell (6), Guardado (8), Trombley (8) and G. Myers; Stottlemyre, T. J.Mathews (8), Eckersley (9) and Lampkin. W—Stottlemyre 7-5. L—Hawkins 1-3. Sv—Eckersley (18). HR—St. Louis, Lampkin (5).

Philadelphia	000	100	000	—1	7	0
Baltimore	010	100	20x	—4	13	3

Beech, Blazier (7), Brewer (8), Gomes (8) and Parent; Erickson, Orosco (8), Ra.Myers (9) and Webster. W—Erickson 11-3. L—Beech 0-4. Sv—Ra.Myers (26). HRs—Baltimore, R. Palmeiro (14), Webster (3).

Cleveland	000	030	401	—8	15	1
Houston	001	050	000	—6	10	0

Jr.Wright, A. Lopez (5), Plunk (5), Mesa (7), M. Jackson (9) and S.Alomar; Holt, Lima (7), Magnante (7), Milner (9) and Asmus. W—Plunk 3-2. L—Lima 1-4. Sv—M. Jackson (10). HRs—Cleveland, Ramirez (11). Houston, Bagar (1).

Texas	010	110	000	—3	10	0
Los Angeles	001	103	01x	—6	12	0

Santana, Whiteside (6), Gunderson (7), X. Hernandez (7) and I.Rodriguez; Candiotti, Dreifort (6), To.Worrell (9) and Piazza. W—Dreifort 3-0. L—Santana 3-4. Sv—To.Worrell (17). HRs—Texas, I.Rodriguez (11), Ju.Gonzalez (18), Palmer (8). Los Angeles, Karros 2 (18), Mondesi (17).

NATIONAL LEAGUE ALL-STAR VOTES

First Basemen: 1. Jeff Bagwell, Houston, 1,494,752. 2. Andres Galarraga, Colorado, 1,185,850. 3. Fred McGriff, Atlanta, 1,132,842.

Second Basemen: 1. Craig Biggio, Houston, 1,161,610. 2. Eric Young, Colorado, 848,510. 3. Ryne Sandberg, Chicago, 735,720.

Third Basemen: 1. Ken Caminiti, San Diego, 1,438,736. 2. Chipper Jones, Atlanta, 1,102,585. 3. Vinny Castilla, Colorado, 938,960.

Shortstops: 1. Barry Larkin, Cincinnati, 1,160,651. 2. Jeff Blauser, Atlanta, 971,124. 3. Walt Weiss, Colorado, 671,142.

Outfielders: 1, Kenny Lofton, Atlanta, 2,174,613. 2, Larry Walker, Colorado, 1,732,886. 3, Tony Gwynn, San Diego, 1,603,730. 4, Barry Bonds, San Francisco, 1,559,313. 5, Dante Bichette, Colorado, 924,563. 6, Delon Sanders, Cincinnati, 657,070. 7, Ellis Burks, Colorado, 609,450. 8, Gary Sheffield, Florida, 588,479. 9, Sammy Sosa, Chicago, 529,407. 10, Moises Alou, Florida, 505,478.

Catchers: 1, Mike Piazza, Los Angeles, 2,624,213. 2, Javier Lopez, Atlanta, 598,858. 3, Kirt Manwaring, Colorado, 498,930.

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	45	23	0	.662	—
Hiroshima	34	31	0	.523	9½
Hanshin	34	34	0	.500	11
Yokohama	29	35	0	.453	14
Chunichi	30	37	0	.448	14½
Yomiuri	28	40	0	.412	17

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	37	22	1	.625	—
Seibu	35	29	2	.545	4½
Daiei	38	32	0	.543	4½
Nippon Ham	33	36	0	.478	9
Kintetsu	27	39	1	.410	13½
Lotte	26	38	2	.409	13½

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Yakult 8, Yomiuri 6, 13 innings
Yokohama 6, Chunichi 3
Hiroshima vs. Hanshin, ppd., rain

PACIFIC LEAGUE

Orix 5, Seibu 3
Daiei 9, Nippon Ham 4
Kintetsu 5, Lotte 1

BASKETBALL

EUROPEAN CHAMPIONSHIP

GROUP E, IN GERONA

Turkey 82, France 71
Russia 93, Lithuania 64

FINAL STANDING: Greece 6 victories; Russia 5; Lithuania 4; Turkey 3; Israel 2; France 1.

GROUP F, IN BADALONA

Yugoslavia 79, Spain 70
Italy 74, Croatia 68

FINAL STANDING: Italy 6 victories; Yugoslavia 5; Spain 4; Poland 3; Croatia 1; Germany 1.

In quarterfinals, on Friday in Barcelona: Greece vs. Poland; Russia vs. Spain; Lithuania vs. Yugoslavia; and Turkey vs. Italy.

SOCCER

WORLD YOUTH CUP FINALS

SEMIFINALS

WEDNESDAY, IN AT SHAH ALAM, MALAYSIA

Uruguay 3, Ghana 2

WEDNESDAY, IN KUCHING, MALAYSIA

Argentina 1, Ireland 0

Uruguay meets Argentina in final and Ireland plays Ghana in third place playoff on Saturday in Shah Alam.

TENNIS

WIMBLEDON

WOMEN'S SINGLES

QUARTERFINALS

Jana Novotna (3), Czech Republic, def. Yayuk Basuki, Indonesia, 6-3, 6-3.

Anna Kournikova, Russia, def. Iva Majoli (4), Croatia, 7-6 (7-1), 6-4.

Martina Hingis (1), Switzerland, def. Denisa Chladkova, Czech Republic, 6-3, 6-2.

Arantxa Sanchez Vicario (8), Spain, def. Nathalie Tauziat, France, 6-2, 7-5.

MEN'S SINGLES

FOURTH ROUND

Tim Henman (14), Britain, def. Richard Krajicek (4), Netherlands, 7-6 (9-7), 6-7 (7-9), 7-6 (7-5), 6-4.

Pete Sampras (1), United States, def. Petr Korda (16), Czech Republic, 6-4, 6-3, 6-7 (8-10), 6-7 (7-7), 6-4.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BOSTON—Activated RHP Jim Corsi from 15-day disabled list. Optioned RHP Kerry Lacy to Pawtucket, IL.

BOSTON RED—Put C Bill Haselman on 15-day disabled list, RHP Chris Hammond on 15-day disabled list retroactive to June 28, and 3B Tim Naehring on 15-day disabled list retroactive to June 24. Recalled LHP Ron Mahay from Trenton, EL, and C Walt McKeel and INF Aquimedez Poza from Pawtucket, IL.

CLEVELAND—Recalled INF Damian Jackson from Buffalo, AA. Optioned LHP Steve Kline to Buffalo.

NEW YORK—Named Lona Trost vice president and general counsel.

OAKLAND—Put SS Rafael Bournigal on 15-day disabled list. Recalled SS Tony Batista from Edmonton, PCL.

SEATTLE—Optioned RHP Bob Wolcott to Tacoma, PCL. Recalled RHP Jaslas Manzanillo from Tacoma.

TAMPA BAY—Signed P Terry McCormick.

NATIONAL LEAGUE

ARIZONA—Loaned LHP Mark Davis to Tucson, PCL.

HOUSTON—Waived SS Pat Listach for purpose of giving him his unconditional release. Activated OF Bob Abreu from 15-day disabled list.

PITTSBURGH—Optioned INF Brandon Cromer from Carolina, SL, to Calgary, PCL.

ST. LOUIS—Activated INF David Bell from disabled list.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Signed G David Wesley.

SAN ANTONIO—Agreed to terms with G Avery Johnson on 3-year contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ARIZONA—Signed OL Rob Selby to 1-year contract.

BUFFALO—Signed OT Jamie Nails.

MIAMI—Signed CB Terrell Buckley to 2-year contract extension.

PHILADELPHIA—Signed WR Antuwan Wyatt to 2-year contract and RB-KR Derrick Witherspoon to 1-year contract.

TAMPA BAY—Agreed to terms with CB Al Harris, WR Nigea Carter and DT Anthony DeGrate on 3-year contracts.

HOCKEY

NATIONAL HOCKEY LEAGUE

BOSTON—Signed LW Ken Baumgartner to 3-year contract.

CAROLINA—Named Jason Nieberg game night operations and promotions assistant.

COLORADO—Re-signed D Jon Klemm to 3-year contract. Re-signed G Craig Billington to 1-year contract.

DETROIT— Re-signed restricted free agent RW Martin Lapointe to 4-year contract.

DALLAS—Re-signed D Dan Keczmer to 2-year contract.

LOS ANGELES—Agreed to terms with LW Sean O'Brien on 1-year contract.

NASHVILLE—Named Jack Diller president.

NEW YORK ISLANDERS—Agreed to terms with LW Mike Haugh, LW Jim Storm and G Wade Flaherty.

NEW YORK RANGERS—Agreed to terms with Colin Campbell, coach, on multiyear contract.

ST. LOUIS—Released G Jon Casey, D Trent Yawney, F Sergio Momesso and F Rob Pearson.

COLLEGE

CONCORDIA—Named Ron Moore womens basketball coach. Pat Mitchell mens basketball coach.

TULSA—Announced the resignation of Steve Robinson, mens basketball coach, so he can take same position at Florida State.

VIRGINIA STATE—Named Peggy Davis women's basketball coach.

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Abuse?

ALEX JOHNSON

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An American Discovers It's Tough 'Over There'

The Loneliness of the Long-Distance Cyclist

By Samuel Abt
International Herald Tribune

Chris Horner will not be at the start of the Tour de France on Saturday in Rouen, of course. As a first-year professional, he hardly expected to make the team. No loss, he said with a shrug, no loss this year at least. Instead he will spend the time back home in the United States, getting well.

Horner can describe all the symptoms but has not yet diagnosed that he has a classic ailment. "Honestly, they were the hardest four months of my life," he said. "Incredibly hard. Every aspect you can think of, it was incredibly hard for me to be over there."

"Over there" is Europe, specifically France, where Horner, a 25-year-old Californian arrived in February to join his new bicycle racing team, La Francaise des Jeux.

He arrived full of hopes and ambition after a splendid career as an amateur in America — "Everything went my way last year in the States," where he won 13 races and "finished top 10 in more than 60" — and then discovered what so many other American riders have learned before him.

The language, the weather, the isolation, the loneliness all overwhelmed him. "It's been a hard year in Europe," he admitted recently in Pennsylvania, where he rode strongly in a series of races in the Tour of America. He enjoyed being back home, Horner said. It was all so familiar.

"I'm glad to be back with my friends and family, getting back to normal, getting back to my normal training, communicating again.

"Without any other Americans on the team, that makes it difficult," he said, echoing a dozen American riders before him. Almost all of them lasted briefly with their European teams, an outcome that Horner, who holds a two-year contract, insists he rejects.

"Being an American going to Europe — there's nothing you can really do to make it easy. You just have to adapt. It just takes time. You've got to adapt, got to."

His Francaise des Jeux team has been understanding, he continued. "I think they expected this. I haven't got any real results, just been working for the leaders, so I don't think they're happy but I think it was expected.

"They've done everything they can to make it easy for me. It's a great squad, and the management has done a good job of trying to make me feel at home."

And yet, and yet. "No one to talk with, and calling home is quite expensive and I don't have my girlfriend in Europe and so not doing too much talking for a four-month period makes it quite difficult.

"The racing's hard there, but it's not so much the racing that makes it hard. It's the style outside the racing that makes it hard, and unfortunately that carries over into the racing."

Horner, who lives near Paris next door to a team official, Alain Gallopin, speaks little French. "A little bit, a little bit only," he said. "I'd like to be able to study it, but you really can't as a cyclist because you never have a set schedule where you can say, 'O.K., I can go to school Mondays, Wednesdays and Fridays.'

"If I hadn't got so homesick and left, I think I would have got much further with the language because I was just starting to pick it up."

Although his program called for him to return to San Diego at the start of June, he left France two weeks early.

Don't misunderstand, he added, he looks forward to returning to Europe at the end of July and picking up his career. Until then, he's recuperating. There's a lot to recuperate from.

"It's good to get the break," he said. "It was necessary. I was gaining weight because I was bored, and the only thing for me to do was eat. And you can't race heavy over there. From 145, 147 pounds, I went to 155, 156. I would go back down to 150 as soon as I started racing — a couple of days of racing and you get pretty hammered and drop a couple of pounds, but you never get down to race weight."

Looking trim in Pennsylvania, he credited the four to six hours of training he does daily in San Diego and his return to health after assorted ailments in Europe.

His problems started when he came down with a heavy cold shortly after the season began in February. Despite that, he finished a creditable 26th overall in the Etoile de Besseges, including a top 10 finish in the last daily stage.

"Then in the Tour of Navarre I pulled a hamstring muscle and missed a couple of days of riding. Then in the Tour of Murcia I got food poisoning the night before the race started. So I missed the whole race plus three days more.

"I missed a lot of training and a lot of racing and when I got back to France it was zero degrees Celsius, so it was difficult to train. You train two hours maximum. I'm used to the heat.

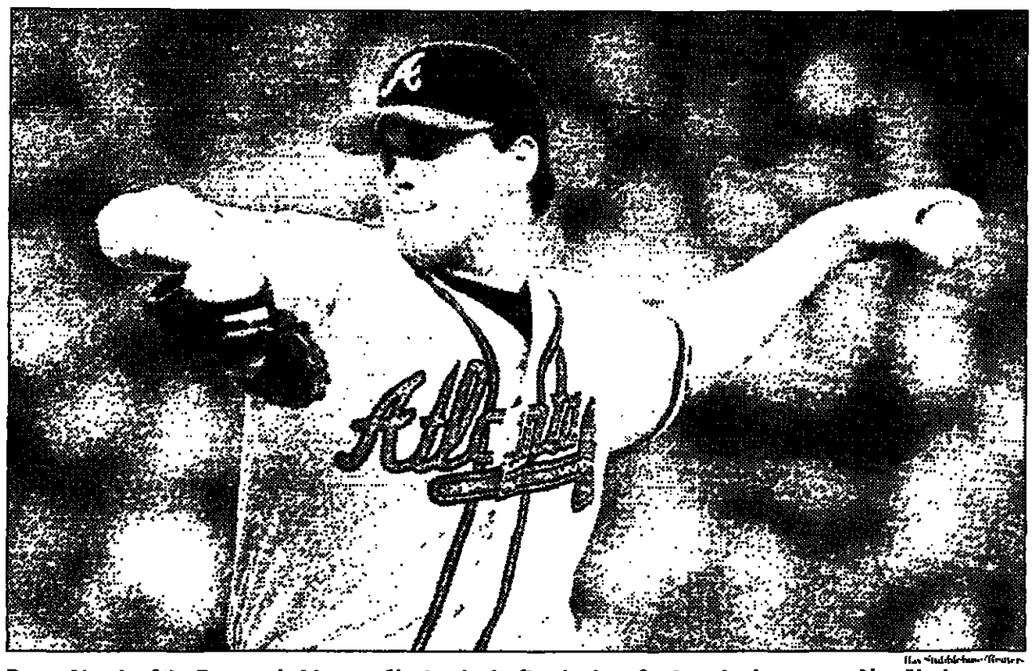
"So you go back into the house and I don't have my girlfriend there, I don't have friends to call and go out with, it's too cold to be outside, so you just sit inside the house and eat. Right from there, it started coming downhill."

Working for the team by setting a pace for its leaders and letting them ride in his slipstream, he rode hard in some of the spring classics and failed to finish any.

"It's more of a job in Europe," he said, comparing racing there to the American version. "Everyone's there to do their job. And in the U.S. the riders aren't making that kind of money. Everyone's doing it in the U.S. for fun, so they're your buddies, even riders on other teams.

"In Europe, it's much more cut-throat, everyone's trying to hurt everyone else to win the race, whatever it takes to win the race. In the U.S., it's kind of whatever it takes but they're not willing to kill each other over it. Everyone's there to have a good time.

"No one's going to retire rich from racing in the U.S. That's the difference."



Denny Neagle of the Braves pitching to a Yankee in the first inning of Atlanta's victory over New York.

Tigers' Homers Dismantle Mets

Detroit Wallops 11 in 2 Games of Interleague Play

The Associated Press

The Detroit Tigers finished their interleague series against the New York Mets as they started it: bashing home runs.

The Tigers hit five Tuesday night and 11 altogether in their two games against the Mets in Detroit.

Detroit won Monday by 14-0 and took an 8-0 lead Tuesday night before settling for an 8-6 victory that ended with the bases loaded with Mets.

Bobby Higginson led the homer barrage, hitting three Monday and tying a major league record Tuesday in the first inning with his fourth in four at-bats.

Brian Hunter was on base for each of Higginson's four homers, setting the stage for big innings.

"It's hard to believe Hunter's a .240 hitter and Higginson's not going for the home-run title," said the Mets manager, Bobby Valentine.

Higginson's streak ended when he took a called third strike in the third inning Tuesday from the Met starter, Bobby Jones. "I was just looking for the perfect pitch," Higginson said. He said he was aware of the record. "I just couldn't do it."

The Mets scored four in the eighth and two in the ninth before Todd Jones finally got Bernard Gilkey to hit a game-ending fly out with the bases loaded.

Travis Fryman homered immediately after Higginson's first-inning homer. Bob Hamelin hit a three-run homer in the third inning, Damion Easley hit a solo homer in the fourth and Curtis Pride hit a solo homer in the sixth.

The major league record for homers by a team in two games is 13.

Mariners 15, Giants 4 Jose Cruz Jr. drove in a season-high five runs with a pair of homers as Seattle buried visiting San Francisco.

Cruz, the third pick overall in the 1995 amateur draft, has eight homers in 26 games since he was brought up from the minors May 31. Alex Rodriguez hit a three-run homer, and Russ Davis added a two-run shot for the Mariners, who have homered four or more times in eight games this season.

Braves 3, Yankees 1 Atlanta beat New York for the first time in six tries dating back to last year's World Series as Ryan Klesko, benched for most of the Fall Classic, hit a two-run homer in support of Denny Neagle (12-1).

Atlanta dropped the final four to New York last October and lost, 1-0, in 10 innings at Yankee Stadium on Monday.

Orioles 4, Phillies 1 Randy Myers got his 300th career save as Baltimore handed Philadelphia its eighth consecutive loss.

Myers became the ninth pitcher in major league history to notch 300 saves. Myers, who has 26 saves this season, joined John Franco as the second lefthander with 300.

Lenny Webster and Rafael Palmeiro homered for the Orioles.

Reds 9, Brewers 1 Joe Oliver homered for a third straight game, and Terry Pendleton hit a grand slam during a seven-run seventh inning that carried Cincinnati over visiting Milwaukee.

Dave Burba pitched a three-hitter to get his first victory since May 18 and end the Reds' distinction as the only major league team without a complete game. Burba also had two hits.

Cardinals 2, Twins 0 Todd Stottlemyre struck out 10 and allowed five singles in seven scoreless innings, and Tom Lampkin hit a two-run homer as host St. Louis beat Minnesota.

Indians 8, Astros 6 Sandy Alomar Jr. extended his hitting streak to 27 games, and Matt Williams and Tony Fernandez hit two-run singles in the seventh inning for Cleveland.

Alomar's 27-game streak tied John Flaherty for the second-longest hitting streak for a catcher in major league history. Benito Santiago holds the record of 34 straight games in 1987.

Manny Ramirez, who earlier let Tim Bogar's hit down the right-field line become an inside-the-park homer, made it 8-6 with the eighth shot into the upper deck in Astrodome history.

Dodgers 6, Rangers 3 Eric Karros had his second two-homer game in interleague play, leading host Los Angeles over Texas.

Karros's second homer of the game and 18th of the season put the Dodgers up 4-3 in the sixth. Raul Mondesi hit his 17th homer two pitches later.

Red Sox 9, Marlins 2 Troy O'Leary was 3-for-4 as Boston bounced back from its error-filled opener against visiting Florida.

A night after the Red Sox committed four errors to help the Marlins win the first meeting between the two teams, Boston had 14 hits and 11 walks.

Expos 2, Blue Jays 1 On Canada Day, Jeff Juden took a no-hitter into the eighth and finished by giving up two hits in 8⅓ innings as Montreal edged Toronto in front of the first sellout at the Sky Dome since 1995.

Juden (10-2) outdueled Roger Clemens, allowing a leadoff homer to Shawn Green and a one-out single by Orlando Merced in the ninth before Ugueth Urbina got the last two outs for his 15th save. Clemens (12-3) gave up a run-scoring double to David Segui in the first and a solo homer to Rondell White in the second.

Angels 4, Rockies 1 Chuck Finley won his first game since May 31, Tim Salmon went 4-for-4 and Jim Edmonds homered for Anaheim at Colorado.

The Angels, who snapped a six-game losing streak in interleague play, also got a solo homer from Luis Alicea.

Cubs 6, Royals 1 In Chicago, Shawon Dunston had three hits and Ryne Sandberg drove in two runs as the Cubs handed Kansas City its fourth consecutive loss. Frank Castillo gave up an unearned run and five hits in eight innings for the victory.

Athletics 8, Padres 6 In Oakland, Dave Magadan, Jason Giambi and Scott Brosius hit two-run homers as the A's rallied to beat San Diego.

Oakland trailed, 5-1, before scoring three in the seventh and four in the eighth on the homers by Giambi and Brosius.

Tony Gwynn of the Padres went 4-for-5 to raise his average to .399. It was his 39th multihit game of the season.

BASEBALL ROUNDUP

In Baseball's Poor House, The Pirates 'Just Play'

By John Mehno
Washington Post Service

PITTSBURGH — What do you get when you pit a team with a $9.1 million player payroll against a team with one player earning $10 million? An unusually large crowd at Pittsburgh's Three Rivers Stadium gleefully rooting against the Chicago White Sox and their $68,000-a-game left fielder, Albert Belle.

One player for the Pittsburgh Pirates said that this latest display of baseball's contrasting class structure had "no relevance on the baseball field."

"Out there you just do your job," said the Pirates' first baseman, Kevin Young. "You just play the game."

That is not the way many others see it. The first game of the teams' three-game interleague series Monday night — which the Pirates won, 3-1 — drew 28,070 to Three Rivers Stadium. That's more than twice the number the Pirates had averaged this season for their three other Monday home dates. The Pirates beat the White Sox again, 3-0, on Tuesday night in front of 22,613 fans, approximately 3,000 more than the average for that night.

And the atmosphere was as charged as it has been since the Pirates' playoff seasons of 1990 to '92. "I was pumped," said Jon Lieber, the pitcher who struck out Belle four times Monday. "That's as good a feeling as I've had in four years in the big leagues."

Lieber, by the way, is making $335,000 this season. Young, the Pirates' $350,000 cleanup hitter, did what Belle did not do Monday night — he homered.

On Tuesday, Jose Guillen hit a two-run triple in the seventh to break a scoreless tie, and Steve Cooke pitched eight shutout innings. He gave up five hits and did not allow a runner past second base.

Every series seems to bring some sort of monetary anomaly involving the Pirates. They are still paying $2.2 million of shortstop Jay Bell's $4.8 million salary with Kansas City. When the Royals visited in mid-June, the money going to Bell totaled more than the combined salaries of the Pirates' starting nine in each of the three games.

Bell's departure from Pittsburgh was part of a money-motivated rebuilding that started last August. The Pirate's owner, Kevin McClatchy, as eager as he is undercapitalized, has constructed a fragile blueprint around his hopes that a championship-caliber team will bloom and a retro baseball-only park will rise in Three Rivers' generic shadow by the turn of the century.

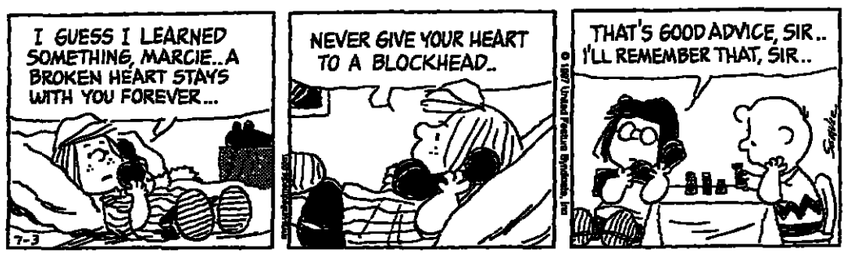
Both remain dicey propositions, but the Pirates have become baseball's irresistible underdogs. And they've been a resilient team.

One week in May, they lost their Nos. 2, 3 and 5 hitters (Jermaine Allensworth, Al Martin and Kevin Elster) to injuries. Their original cleanup hitter, Mark Johnson, recently was demoted to the minors. Yet the Pirates' record is 38-43, and they remain in contention in the National League Central.

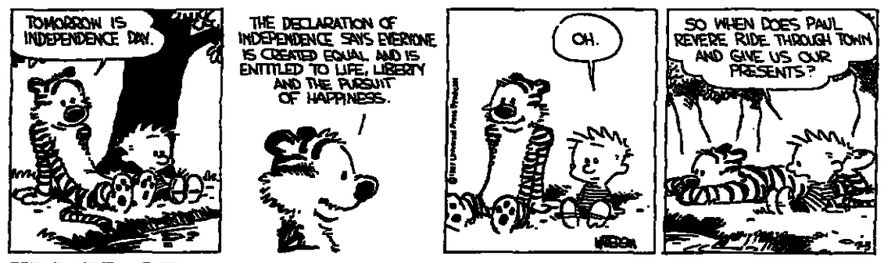
"You've got the biggest underdog in the country here," McClatchy said. "People don't like the highly paid athletes, and we don't have that."

DENNIS THE MENACE

PEANUTS

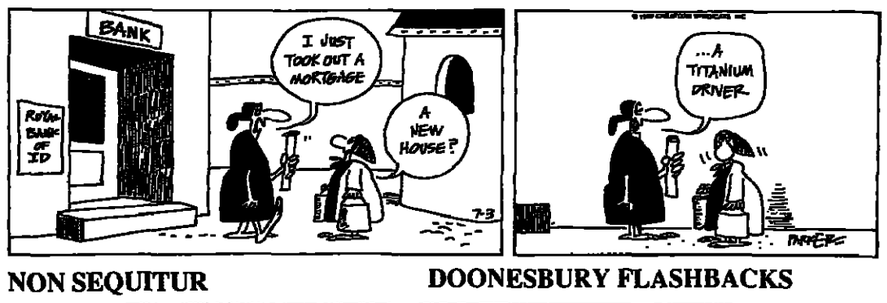


CALVIN AND HOBBES



GARFIELD

WIZARD of ID



JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

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GRUNNE

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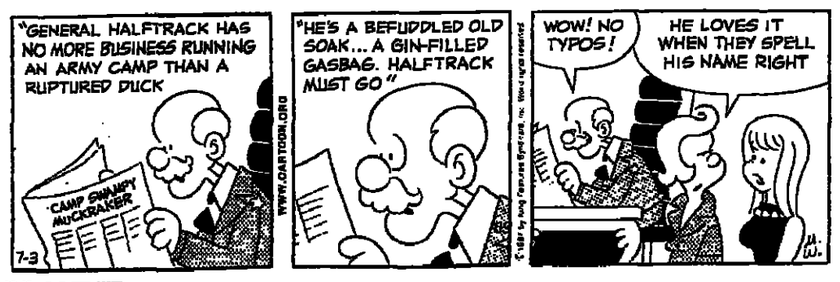
(Answers tomorrow)

Yesterday's Jumbles: AZURE YIELD GAIETY EXPEND
Answer: What a coach pours can turn a moment into — AN EMPIRE DAY

BEETLE BAILEY



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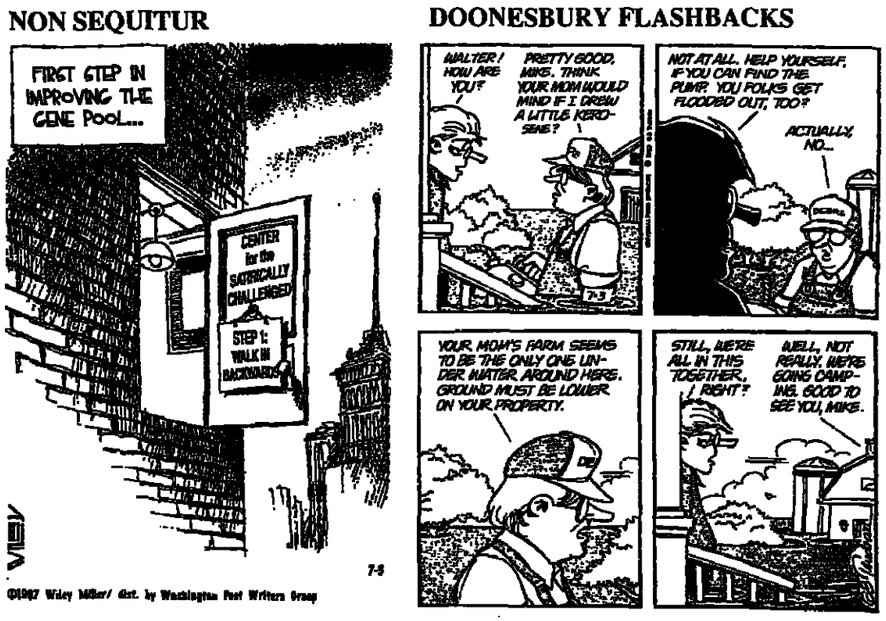

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ART BUCHWALD

Heavyweight Teeth

MARTHA'S VINEYARD, Massachusetts — You are probably wondering how the Tyson/Holyfield fight played on Martha's Vineyard. Mike Wallace, one of the island's wealthiest residents, paid $50 for a Pay TV box and that's where we fans gathered to enjoy the fight of the century.

Buchwald

For $50 we not only got the heavyweight contest, but also a warmup match between two female fighters who beat the heck out of each other. It was so rugged we all agreed that women's boxing would soon be on a par with men's and, someday, we would even see a female beat a man for the world's heavyweight championship.

□

As we sat around the set killing time until 11:45, we discussed the possible outcome of the Tyson/Holyfield match. Micky Clippard sounded as if she was onto something when she declared, "I think that Tyson is going to win."

"Why is that?" Bill Watts asked.

"Because he has nice teeth."

Micky just smiled and said, "The man who wins always has the best dentist."

After waiting forever, the contestants showed up in the ring. They both appeared to be in top form, although Wallace claimed he observed Tyson licking his lips as he stared at Holyfield's ear.

Well, I won't go into detail about what happened during the fight because most people already know more than they want to know.

Everybody saw the famous bite, but Wallace was the most indignant. "I didn't pay $50 to see one grown-up man bite another grown-up man on the ear."

□

While we watched the mayhem after the fight, we talked about why Tyson did what he did.

Watts's theory was that Tyson had lost a lot of weight for this fight and in the third round he just got hungry.

J.P. Paynter wasn't buying it.

"Everyone knows that Tyson is a vegetarian. My guess is that Tyson was trying to talk to Holyfield about how to invest the $60 million they were going to get. He got so excited that he forget where he was."

Micky wondered aloud if Holyfield stuck his ear in Tyson's mouth to make him look bad.

It was boxing's greatest night and one we'll tell our children and grandchildren about, if they give us $50.

Endangered Species: A Tourist Warning

Agence France-Presse

LONDON — An elephant's foot umbrella stand and tortoiseshell jewelry went on show at London's Natural History Museum Wednesday to warn tourists of the continuing threat to the world's endangered species.

The exhibition of items seized by British customs officers at ports and airports around the country is aimed at alerting travelers that their holiday purchases may be illegal and could help push already endangered species closer to the brink of extinction.

Robert Mitchum: The Man Was Cool Always

By Stephen Hunter
Washington Post Service

WASHINGTON — Jimmy Stewart was earnest. John Wayne was heroic. Jimmy Cagney was feisty. Gary Cooper was dignified. Cary Grant was suave. Henry Fonda was laconic. Burt Lancaster was energetic.

But Robert Mitchum was cool.

It's true the others were cool sometimes. But Robert Mitchum was cool always. He was a jazz riff, a late night bourbon, a pack of unfiltered cigarettes, a trench coat with the collar upturned, a fedora with the brim downturned, strength without narcissism or vanity. Wherever he was, it was always drizzling, it was always 3 A.M. in the neon night, and he was always as unperturbable as a force of nature.

The hulking star with the once-beautiful, later battered face, the butt hanging at an insolent angle from his passive lips, the smoke getting in but not remotely disturbing those deadpan, flesh-sheathed eyes, died in his sleep Tuesday at age 79 at his home in Santa Barbara, California, of complications from emphysema and lung cancer. No man ever looked better smoking, even if it killed him in the end, and a subversive might argue: That was cool, too. It certainly seemed to reflect his unstated motto, which was "I don't give a [expletive]."

He was of the American school, a minimalist who knew the power of the muted gesture, the canted glance, the pause, the casual inflection. More, like most great stars, he understood his limits and the vibrations of his persona. Within that persona, he could work miracles of both good and evil.

Whoever has seen the nightmare-clear "The Night of the Hunter" will never forget his mythically slithery lizard of evil, Harry Powell, whose full psychosis was deployed against two children. In the original (and far superior) "Cape Fear," his mad Max Cady radiates with rage, with a feral creature's cunning and hardiness, particularly in contrast to Gregory Peck's square-rigged, pious rectitude.

But he could also play straight-ahead heroics and make you believe them. As Brigadier General Norman Cota, a hero of the Normandy beachhead, in Darryl F. Zanuck's "The Longest Day," he etched a brief, vivid portrait of a professional military man displaying the highest standards of combat leadership amid the profusion of teen idols that turned that film into the long kitsch goodbye. Even as late as 1982 he could bring forth convincing World War II-generation heroics to anchor the otherwise unwieldy "The Winds of War" and "War and Remembrance" on ABC.

That is appropriate, for he first achieved stardom in 1945, after a dismal apprenticeship in cheapie westerns, in "The Story of G.I. Joe," based on the writings of Ernie Pyle. It was a late war picture, far removed from the patriotic gore of earlier battle movies, and Mitchum's tired, decent Lieutenant Walker was a more approachable hero than the leaders played by the other icon of World War II movies, John Wayne.

But as naturally as heroics came to him, Mitchum was at his best playing morally ambiguous figures of great strength and charisma but subtly flawed, haunted by a mysterious past or a dangerous future. His key early film was the shimmering noir "Out of the Past," but that was only one of the noirs he made during that classic period of American cinema in the exhausted wake of the war.

His presence also lit up "Crossfire," "The Big Steal," "Where Danger Lives," "His Kind of Woman" and "Macao." These films, with their existential dread and their sense of nihilism lurking behind the typically dazzling night-city photography, really established his sleepy-eyed authority.

He had a great, broad face, a forehead like the polar icecap, a good crop of wavy hair, cheekbones like bed knobs and a piercing chin. But what unified it and made it unforgettable to men and irresistible to women were the eyes. In his case, the eyes truly had it. He ascribed the way his lids hung low, halving his orbs and generating that implacably calm look, to a boxing injury that caused astigmatism in both eyes. And also to chronic insomnia: you had the idea that if he ever got a good night's sleep, he was washed up.

Universal Pictures
Mitchum in 1962 in the original "Cape Fear."

But clearly he was never one for a good night's sleep. Typical also of his generation of stars, his was an uneducated, hard-knocks, wandering kind of background. A vagrant youth, he spent seven days on a Georgia chain gang at 16, and his troubles with authority were a perpetual problem throughout his early career, until the culture somewhat reversed itself and things like his 50 days in a prison work camp in late 1948 for marijuana possession could be looked upon as a badge of honor, not shame. Of the experience, he said it was "like Palm Springs, without the riffraff."

Born in 1917 in Bridgeport, Connecticut, a high school dropout at 14, he was by 1940 on the line at Lockheed, married and unhappy, seemingly locked into a blue-collar life. But he drifted into the Long Beach Theatre, first as a stagehand, then as an actor. By 1943 he was in Hopalong Cassidy films — his first break reportedly came when he could ride a horse that had killed the last actor who tried. By 1945 he was a star, and by 1948, Hollywood's Bad Boy of the marijuana scandals.

That naughty reputation was amplified in the early '50s at the Cannes film festival, where a female companion went topless with him in front of photographers.

After the mid-'50s he moved to big-budget roles in A-pictures like "Heaven Knows, Mr. Allison," in which he played a Marine corporal isolated on an island in the Pacific with a nun (Deborah Kerr) and her child charges; "The Enemy Below," a heroic commanding officer again, and even the comedy "Two for the Seasaw," but he never really changed. Always that big face, that sleepy authority, the spring in the heavy body. As late as 1977 he was playing Philip Marlowe in a remake of "The Big Sleep," in the same trench coat and rumpled fedora, and was just as convincing.

By that time the face looked like a Greek shield after a long day's work at Marathon, and the body moved slowly, filled with pain and possibly even a tinge of regret. But he kept on moving.

A final story: A colleague reports that in 1965 the big guy landed at Chu Lai, an airfield in Vietnam occupied by American Marines. There, on that hot day in that little green hell, he would not waste time on officers but gave himself entirely to the enlisted men, both Mr. Allison and Bob Mitchum to the last.

And, to the last, probably even until Tuesday in his sleep, very, very cool.

Sean Dempsey/The Associated Press
GLAMOUR AND ART — The French actress and model Carole Bouquet arriving at the Tate Gallery in London for the museum's centennial gala dinner.

PEOPLE

THE author **Jerry Oppenheimer** says he had no intention of mulching his garden by shredding up **Martha Stewart**. "I had no ax to grind with her," said the author, who has written unflattering biographies of **Ethel Kennedy**, **Rock Hudson** and **Barbara Walters**. "I asked for her cooperation and for some time with her. I got no response one way or another." But what a response he got from about 400 acquaintances and former associates of Stewart. Those folks really threw the mud, which he serves up in his biography, "Just Desserts." According to Oppenheimer, the dominatrix of domesticity may be gracious on camera, but behind the scenes Stewart is a shrew who destroyed her marriage and her relationship with her only child with her unyielding demands for perfection. Stewart has remained tight-lipped throughout the assault, but her fans, Oppenheimer says, are rabid. "People have called up to talk shows and said the book should be burned," the author says. "I've refused to do a book signing. It would be too frightening."

□

Rock-and-Roll Hall of Famer **Rick Danko** pleaded not guilty Wednesday to charges that he colluded with his wife to smuggle heroin into Japan, saying the package was supposed to contain medicine. "I'm not guilty. It's just a mistake," Danko told the Chiba District Court. He said he had asked his wife by phone to send some "medication." Danko said he thought she would understand he meant the drug codeine, for which he has a prescription. Prosecutors said that Danko, who gained fame as bassist and vocalist for **The Band**, had his wife send a parcel containing 1.25 grams (.04 ounce) of heroin on a Fedex flight and that Fedex officials notified the police after detecting heroin in the parcel at customs at Tokyo's international airport. Danko admitted that he had used heroin off and on in the past to help suppress persistent pain caused by a serious automobile accident in 1968. He also admitted to snorting heroin just 20 minutes after his flight to Japan took off from New York. Prosecutors are seeking a prison sentence of two and a half years.

□

Robert Zemeckis, the Oscar-winning director of "Forrest Gump," will become only the eighth director to leave an imprint of his hands and feet in cement in front of Mann's Chinese Theater in Los Angeles. Zemeckis will join **Charles Chaplin**, **Raoul Walsh**, **Cecil B. De Mille**, **George Stevens**, **Mervyn Le Roy**, **Gene Kelly** and **Steven Spielberg**.

□

An appeals court in San Francisco ruled that a lawsuit filed by **George Wendt** and **John Ratzenberger**, who claim that robot barflies in airport displays look like them, can go to trial. Wendt and Ratzenberger, who played barroom regulars on "Cheers," sued Host International in 1993. Host, which is licensed to use the "Cheers" concept for its lounges, has the robots perched on stools in about a dozen airport bars. A federal judge dismissed the lawsuit last year and when it was sent back on appeal, he again saw no similarities — and ordered the actors to pay $78,000 to cover their opponents' legal fees. Another appeals panel saw it differently, though, noting that both actors have said fans are remarking on the likenesses. "The usual comment is some variation on 'Hey George, I just had a drink with you in Kansas City,'" the court noted.

□

Rush Limbaugh got booted off the air in Pennsylvania. **John Cessna**, vice president of Cessna Communications, said he had trouble selling commercials on the talk shows of Limbaugh and fellow conservative host **G. Gordon Liddy**. "Limbaugh and Liddy are controversial with some people, and not everyone in Bedford County is a conservative," Cessna said.

□

Mark Volpe, executive director of the Detroit Symphony Orchestra since 1991, has been named managing director of the Boston Symphony Orchestra. Volpe is expected to remain in Detroit until the orchestra's classical season begins in September.

□

After three years and 1,470 entries from 76 countries, the Alexander S. Onassis Public Benefit Foundation has announced the winners of its first International Cultural Competition for an original play. The winners, were selected by 60 international theater professionals, including critics, directors, actors and teachers. The recipient of the $250,000 first prize is **Manjula Padmanabhan** of India for her play "The Harvest."

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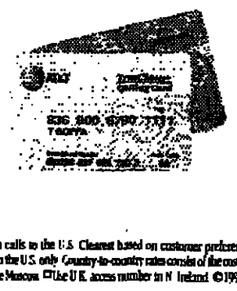

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